

City of Takoma Park Maryland



*Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013*

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City of Takoma Park Maryland



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2013

Prepared by: City of Takoma Park, Maryland

*Suzanne R. Ludlow, AICP, CPM
Acting City Manager*

*Yovonda D. Brooks, CPA
Director of Finance*

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CITY OF TAKOMA PARK, MARYLAND

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INTRODUCTORY SECTION

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City of Takoma Park, Maryland

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Brian T. Kenner, City Manager

October 15, 2013

Honorable Members of the City Council
and Citizens of the City of Takoma Park, Maryland:

The City's Charter, Section 821, requires that the financial books and accounts of the City be audited annually in accordance with applicable State laws and the requirements of the City Council. The City Council has elected to have its financial statements prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a certified public accountant. We hereby issue the comprehensive annual financial report (CAFR) for the year ended June 30, 2013.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the City; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been provided.

CohnReznick LLP, a firm of licensed certified public accountants, has audited the City of Takoma Park, Maryland's financial statements. The independent auditor's report is included with the City's financial statements in the Financial Section of this report. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and, for the basic financial statements of the City, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. On the basis of this examination, the independent auditors have issued an unmodified opinion that the presentation of the basic financial statements conforms to accounting principles generally accepted in the United States of America. In conducting the audit, the auditors performed tests of the accounting records and such other procedures as were considered necessary in the circumstances to provide a reasonable basis for the opinion on the financial statements.

The auditors also assessed the accounting principles used and the significant estimates made by management, as well as evaluated the overall financial statement presentation.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

PROFILE OF THE GOVERNMENT

The City of Takoma Park is approximately 2.4 square miles in size and is located in Montgomery County, Maryland on the border of Washington, D.C. The City was incorporated in 1890 and currently has a population of 16,715 (U. S. Census 2010).

The City of Takoma Park operates under a Council/Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of seven members (Mayor and six Council members). The City Council is elected on a non-partisan basis. All seven members serve two-year terms. Six Councilmembers are elected by wards. The Mayor is elected at large. The City Council's responsibilities include passing ordinances and resolutions, adopting the City's annual budget, appointing members to committees, and hiring both the City Manager and the City Attorney.

The City Manager is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and appointing the heads of various departments.

The City provides a range of municipal services including, but not limited to, housing and property inspections, solid waste and recycling collection, storm drainage maintenance, street maintenance, snow removal, street lighting, parks and recreation, and police protection.

ECONOMIC CONDITION AND OUTLOOK

The City is a residential community located in the southern part of Montgomery County in the inner suburbs of the Washington, D.C. metropolitan area. City residents benefit from the excellent Montgomery County public school system. The Takoma Park-Silver Spring campus of Montgomery College and the four-year Washington Adventist University are located in Takoma Park. The City has a large historic district, two major commercial districts, many parks, and attractive, walkable neighborhoods. The City is located along the Red Line of the region's Metrorail system and is well served by bus systems and bicycle trails. Offices, attractions, and entertainment are close by in adjacent Washington, D.C. and Silver Spring, Maryland. Baltimore and Annapolis are a short distance away via I-95 and Maryland Route 50, respectively.

According to the 2010 Census, the City had a total of 7,162 housing units. Of these, 3,444 were owner-occupied housing units. Forty-seven percent (47%) of Takoma Park's households live in multi-family residential structures.

Because of its location and attractive environment, Takoma Park is a highly desirable place to live. Its economic health rests heavily on the value of its residential property. Total assessed real and personal property value for Takoma Park was estimated at \$2.02 billion during fiscal year 2013. Housing values have risen sharply since 2000, when the median value of an owner occupied home was \$189,200, according to the 2000 Census. The American Community Survey (ACS) of 2007-2011 reflected a median owner-occupied housing unit value of \$473,300. Rapid growth in property values in Takoma Park ended during the recession three to five years ago. Since that time, property values have begun to rise again at a slow to moderate pace.

Real property in the State of Maryland is reassessed on a triennial basis. Fiscal Year 2013 was the third year of the phase-in of assessed values established in 2010. All real property in Takoma Park was reassessed during 2010, with the new values impacting the City's budget since Fiscal Year 2011. The reassessment of 2013 showed a decline in the City's assessable real property base (net) of 3.6 percent from Fiscal Year 2013. This will affect the City for the next three fiscal years and will affect choices in service delivery over that time.

The Census Bureau reported that the population of the Washington D.C. region grew by 89,000, or 1.5 percent between July 2011 and July 2012, to a total of more than 5.8 million persons. This rate was down from 1.9 percent growth in the previous year. The unemployment rate in the region in May 2013 was 5.5 percent, which remained unchanged from the previous year.

While the Washington, D.C. area has fared better than other parts of the United States, it has been impacted by the downturn in the economy. The City has experienced a decline in certain revenue sources, including investment income, State Police Protection Aid, and State Highway User Revenues. The economic outlook for the State of Maryland improved during Fiscal Year 2013 and the General Assembly voted to increase funding for municipalities in Fiscal Year 2014. Efforts are continuing to make these revenue sources less variable in the future.

Montgomery County, Maryland reported a projected unemployment rate of 5.2% for fiscal year 2013. Some Takoma Park residents are likely among those who have lost their jobs, impacting income tax receipts. The City is working with other municipalities in Montgomery County to ensure that intergovernmental revenue from the County will be more substantial and predictable in coming years. These efforts will be continuing but success is not certain.

The Maryland General Assembly passed legislation in 2013 strengthening the State's Transportation Trust Fund. This legislation ensures long-term funding of transportation infrastructure across the State, including the construction and operation of the Purple Line light rail transit system. If the Purple Line project stays on course, construction would begin in 2015 and be completed in 2020. The light rail line will run along the northern border of Takoma Park between Bethesda in Montgomery County and New Carrollton in Prince George's County, connecting with several Metrorail lines and other bus and rail transportation systems. The Takoma-Langley Crossroads Station, at the intersection of University Boulevard and New Hampshire Avenue, will be a major stop on the Purple Line.

Recognizing that the Purple Line and the development it will spur are important to the long-term economic health of the Takoma Park community, City officials have been actively working with planners in Montgomery County and Prince George's County to ensure that master plans are in place to appropriately encourage and tailor redevelopment of neighborhoods and commercial areas near the transit line.

In the meantime, however, streetscape improvements and commercial district support activities continue to take place in the Old Takoma, Takoma-Langley Crossroads and Long Branch commercial areas. The Old Takoma business area has a Maryland Main Street designation. The Takoma-Langley Crossroads area and the Long Branch business district are part of a Maryland Enterprise Zone that was established in 2005 and reauthorized in 2013, providing tax incentives to new and expanding businesses. Both the Old Takoma and the Takoma-Langley Crossroads business districts have active programming efforts underway to market their commercial areas to the surrounding region.

LONG-TERM FINANCIAL PLANNING

The City of Takoma Park Police Employees' Retirement Plan covers sworn police officers who are employed on a regular full-time basis. Plan provisions include retirement, disability, and death benefits to plan members and their beneficiaries. In the years following its inception in 2001, the Plan experienced a higher than expected rate of disability awards, resulting in a steadily increasing City contribution rate. During fiscal year 2009, the City modified the existing Plan in an attempt to address the rate of disability. The City contribution rate has been relatively stable since enactment of the change.

Both the City of Takoma Park Police Employees' Retirement Plan and the Maryland State Retirement and Pension System, which covers the City's non-sworn staff, have been impacted by the volatility of the stock market in recent years.

In accordance with the City Charter, certain monies are set aside for the scheduled replacement of vehicles and equipment. These funds are accounted for in the Equipment Replacement Reserve. Substantial funds have been allocated to the Equipment Replacement Reserve over the last decade. This funding effort should be continued going forward to ensure that the City has sufficient funds on hand to maintain its vehicle fleet and other equipment in good working order.

Effective July 1, 2011, the City established a Reserve for Facility Maintenance with an initial contribution of \$250,000 and a contribution of the same amount in Fiscal Year 2013. The creation of a Facility Maintenance Reserve provides a more focused mechanism to ensure that the City identifies and plans for future facility maintenance items.

RELEVANT FINANCIAL POLICIES

As noted earlier in this transmittal message, the downturn in the economy has affected the City in a number of ways. The Federal Reserve's interest rate cuts have significantly reduced the City's investment revenues. The financial difficulties of the State of Maryland have resulted in reductions in Highway User Revenues, Police Protection Aid, and grant funding that the City has historically relied upon to finance park improvements and other community amenities.

In light of these economic difficulties, the City's focus will be on the continuation and maintenance of core services rather than any substantial expansion of services. The City plans to maintain adequate unreserved fund balance in its General Fund in order to address revenue fluctuations and to avoid any disruption in services caused by a future decline in significant revenue sources and rising costs. Additionally, the City's use of unrestricted future fund balances and one-time revenue sources will be limited to specific non-recurring projects.

MAJOR INITIATIVES

City activities in Fiscal Year 2013 were largely focused on three major policy areas:

- Sustainability
- Livable Community
- Engaged, Responsive, and Service-Oriented Government

Major accomplishments related to these priorities during Fiscal Year 2013 included the following:

- Continued extensive staff involvement in the development, adoption and implementation of plans to the Takoma-Langley Crossroads area and New Hampshire Avenue Corridor including:
 - Takoma Langley Sector Plan
 - Urban Design Guidelines
 - Commercial/Residential Zones Zoning Text Amendment
 - New Ave Streetscape Standards
 - Multi-Way Boulevard Feasibility Study
 - Ethan Allen Gateway Streetscape and Road Geometric Changes
 - Purple Line Project Team
 - New Ave Corridor Tours for Developers
 - New Ave Website Improvements and Mobile Site
- Developed detailed engineering plans for the Flower Avenue Green Street Project which includes street, pedestrian safety, and stormwater improvements and involves significant coordination with adjacent residential and commercial property owners.
- Continued the ongoing sidewalk retrofit project as part of the City's compliance efforts with the Americans with Disabilities Act and continued installation of new sidewalk in several neighborhoods, which includes extensive public outreach efforts.
- Continued construction of stormwater management projects that use innovative environmental site design principles.
- Expanded the façade improvement program for businesses across the City.

- Redesigned the City of Takoma Park website and made extensive use of social media platforms to connect and inform the community.
- Continued coordination of the “We are Takoma” cultural series, providing more than 30 free programs to the community.
- Continued to increase both the number and quality of recreation program offerings, providing a higher level of service to the community and increasing revenues from this source.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Takoma Park for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA for consideration for another certificate.

The preparation of this annual report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to everyone who assisted and contributed to its preparation. We are grateful to the City’s independent auditor, CohnReznick LLP, for the professional assistance provided during the course of the audit. We are also grateful to Lindsey & Associates LLC for providing professional assistance during the preparation of the City’s annual report. Finally, we would like to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and professional manner.

Respectfully submitted,



Brian T. Kenner
City Manager



Suzanne R. Ludlow
Deputy City Manager
(Acting City Manager,
September 2012 – June, 2013)



Yovonda D. Brooks, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Takoma Park
Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

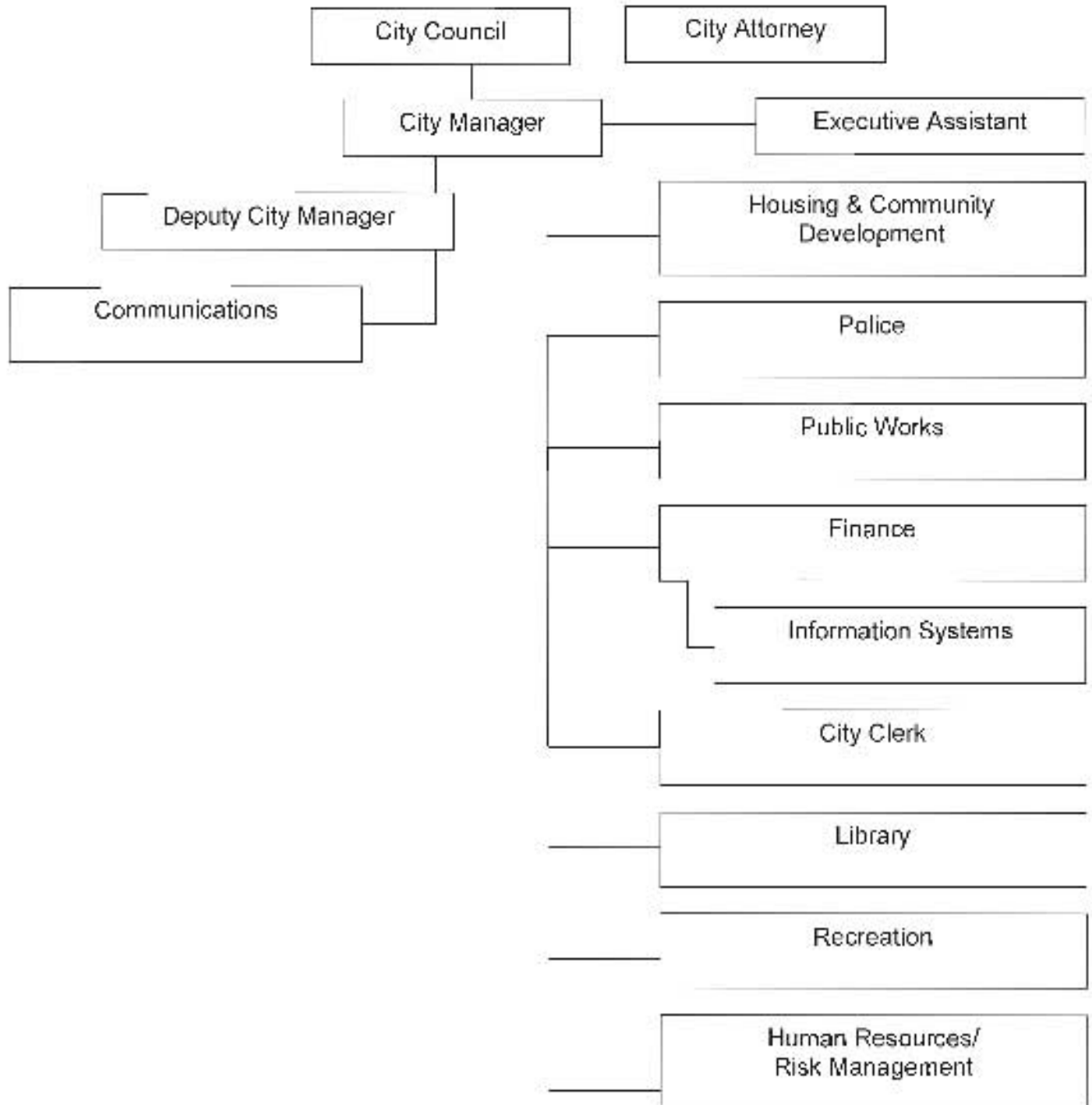
June 30, 2012

Executive Director/CEO

Organizational Chart

The City of Takoma Park, Maryland

Residents of Takoma Park



**CITY OF TAKOMA PARK, MARYLAND
LIST OF CITY OFFICIALS
Year Ended June 30, 2013**

MAYOR

BRUCE R. WILLIAMS

CITY COUNCIL

SETH GRIMES	TERRY J. SEAMENS
TIM MALE	JARRETT K. SMITH
KAY DANIELS-COHEN	FREDERICK L. SCHULTZ

ACTING CITY MANAGER

SUZANNE R. LUDLOW, AICP, CPM

DIRECTOR OF FINANCE

YOVONDA D. BROOKS, CPA

INDEPENDENT AUDITORS

CohnReznick LLP

Prepared by the Finance Department

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FINANCIAL SECTION

Independent Auditor's Report

To the City Council
City of Takoma Park, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparison for the General, Speed Camera and Special Revenue Funds of the City of Takoma Park, Maryland, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates

made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Takoma Park, Maryland, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General, Speed Camera and Special Revenue Funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and analysis of funding progress and employer contributions on pages 13 - 29 and 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

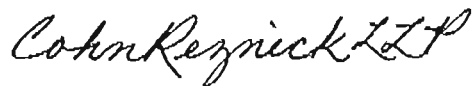
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Takoma Park, Maryland's basic financial statements. The introductory section, budgetary schedules, combining nonmajor fund and fiduciary financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules and combining nonmajor fund and fiduciary financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules and combining nonmajor fund and fiduciary financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013, on our consideration of the City of Takoma Park, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Takoma Park, Maryland's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Baltimore, Maryland
October 11, 2013

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

As management of the City of Takoma Park, we offer this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to view the City's financial performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements, and the financial statements to enhance their understanding of the City's financial position.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources at the close of the fiscal year 2013 by \$38,089,445 (net position). This represents an increase of \$3,402,669 from the prior year. Approximately fourteen percent or \$465,674 of this variance was due to increases in property tax revenues resulting primarily from higher real property tax assessments. Revenues from the tax duplication payments from Montgomery County increased \$954,000.
- Of the City's total net position, \$5,711,016 may be used to meet its ongoing obligations to residents and creditors (unrestricted net position).
- As of June 30, 2013, the City of Takoma Park's governmental funds reported combined ending fund balances of \$13,965,708, an increase of \$1,926,558 or sixteen percent, from the prior year. The ending fund balances of \$13,965,708 include \$5,434,260 that is available for spending at the government's discretion (unassigned fund balance). The increase in the combined ending governmental fund balances was due primarily to increases in property taxes and tax duplication payments from Montgomery County, and unexpended cable equipment grant funds.
- At the end of fiscal year 2013, the unassigned fund balance for the General Fund was \$5,434,260 or 28 percent of total General Fund expenditures.
- The City of Takoma Park's long-term debt decreased by \$1,394,881 during the fiscal year. The decrease was primarily due to the early redemption of bonds in the amount of \$1.16 million. The balance of the decrease was due to the principal payments on existing debt totaling \$254,500. These decreases were offset by the \$18,012 increase in compensated absences.

OVERVIEW OF FINANCIAL STATEMENTS

GASB Statement 34 requires the utilization of dual focus financial reporting. Information is presented on a government-wide basis and on a fund basis.

This discussion and analysis is intended to serve as an introduction to the City of Takoma Park's basic financial statements that were prepared using these reporting requirements. The City of Takoma Park's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Government-Wide Financial Statements. The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the City of Takoma Park's finances. All City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, recreation, community development, and government administration. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 32 and 33 of this report.

Statement of Net Position. The Statement of Net Position presents information on all of the City of Takoma Park's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The residual amount is reported as net position. Net position is separated into those amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Takoma Park is improving or deteriorating. To assess the City's overall health, additional non-financial factors, such as changes in the City's property tax base and the condition of its facilities, must be taken into account.

Statement of Activities. The Statement of Activities presents information on how the government's net position changed during the fiscal year. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Transactions related to nonexchange transactions are reported as soon as there is an enforceable legal claim to the resources. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation).

Fund Financial Statements. The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Takoma Park, like other local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All of the funds of the City of Takoma Park can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate the comparison between governmental funds and governmental activities.

The City of Takoma Park maintains six individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Speed Camera Fund, and the Special Revenue Fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds (Stormwater Management Fund, Community Center Fund and Rehabilitation Loans and Grants Fund) is provided in the form of combining statements elsewhere in this report.

The City of Takoma Park adopts an annual appropriated budget for its three major funds - General Fund, Speed Camera Fund and Special Revenue Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 34 - 40 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Takoma Park's own programs. Fiduciary funds are accounted for using the economic resources measurement and accrual basis of accounting.

The basic fiduciary fund financial statements can be found on pages 41 and 42 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 - 68 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the City of Takoma Park's progress in funding its obligation to provide pension benefits to its Public Safety employees. Other supplementary information includes budgetary comparison schedules related to the General Fund and the non-major governmental funds and any combining statements related to non-major governmental funds and fiduciary funds. Supplemental information can be found on pages 69 - 79 of this report.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

THE CITY AS A WHOLE

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Takoma Park's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$38,089,445 as of June 30, 2013. By far the largest portion of the City of Takoma Park's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). This investment was \$25,892,877 or 68 percent of the City's net position as of June 30, 2013. Due to the nature of these assets, they are not available for future spending.

The unrestricted portion of the net position totaled \$5,711,016. This category represents the amounts that the City may use to meet the City's ongoing obligations to its residents and creditors.

The remaining balance of net position (\$6,485,552 or 17 percent) reflects the City's restricted net position, primarily comprised of monies related to the Safe Speed Program, franchise cable equipment grants, and equipment and facility replacement reserves, that can only be used for specifically designated purposes.

During the fiscal year, the City of Takoma Park's net position increased by \$3,402,669. Factors contributing to this growth include the increase in property tax revenue of \$465,674 primarily due to the changes in the assessable tax base for real property. Additional revenue increases of \$954,000 resulted from tax duplication payments from Montgomery County for Police and other services.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The following table reflects the City's net position as of June 30, 2013 compared to June 30, 2012.

Governmental Activities

Statement of Net Position

	2013	2012
Assets		
Current and other assets	\$ 16,507,104	\$ 15,165,273
Capital assets	27,614,484	27,381,663
Total assets	44,121,588	42,546,936
Deferred outflows of resources	-	-
Liabilities		
Current and other liabilities	2,279,346	2,712,482
Long-term liabilities	3,752,797	5,147,678
Total liabilities	6,032,143	7,860,160
Deferred inflows of resources	-	-
Net position		
Net investment in capital assets	25,892,877	24,247,163
Restricted	6,485,552	5,757,899
Unrestricted	5,711,016	4,681,714
Total net position	\$ 38,089,445	\$ 34,686,776

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Governmental Activities

Governmental activities increased the City of Takoma Park's net position by \$3,402,669 during fiscal year 2013, thereby accounting for the total growth in net position. The key elements of this increase are shown below. Information for the prior fiscal year is provided for comparative purposes.

Governmental Activities	2013	2012
Change in Net Position		
Revenues		
Program revenues:		
Charges for services	\$ 3,233,860	\$ 3,804,793
Operating grants and contributions	5,249,350	4,243,995
Capital grants and contributions	979,304	774,395
General revenues:		
Property taxes	12,134,376	11,668,702
Intergovernmental	2,791,760	3,003,680
Miscellaneous	14,381	113,509
Unrestricted investment earnings	27,248	48,663
Total revenues	<u>24,430,279</u>	<u>23,657,737</u>
Expenses		
General Government	3,655,803	3,528,633
Public Safety	7,628,389	7,637,072
Public Works	5,332,321	5,107,165
Housing and Community Development	1,552,964	1,470,360
Recreation and Culture	2,736,596	2,613,109
Interest on long-term debt	121,537	250,453
Total expenses	<u>21,027,610</u>	<u>20,606,792</u>
 Change in net position	 <u>3,402,669</u>	 <u>3,050,945</u>
 Net position, beginning of year	 <u>34,686,776</u>	 <u>31,635,831</u>
 Net position, end of year	 <u><u>\$ 38,089,445</u></u>	 <u><u>\$ 34,686,776</u></u>

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Overall revenues increased \$772,542 from fiscal year 2012 to fiscal year 2013. Property taxes increased \$465,674 or about four percent from the previous fiscal year due to the change in real property assessment values. Charges for services decreased \$570,933. This variance is due primarily to the \$615,000 decrease in speed camera fine revenues. The reduction in speed camera fines resulted from a change in State law that prohibited the assessment of late fees.

Operating grants and contributions increased \$1,005,355 largely due to the increase of \$953,714 in tax duplication payments from Montgomery County for police services, road maintenance, and park maintenance. The balance of the increase in operating grants and contributions is due to the \$96,250 increase in grants for the Department of Housing and Community Development. Capital grants and contributions increased \$204,909 due to grant funds from the Department of Natural Resources for the Ritchie Avenue Bio-retention project (\$85,261) and the Lee Jordon Field irrigation system (\$23,603). Contributions for the Flower Avenue Green Street Project design were received from the State Highway Administration in the amount of \$88,081.

Intergovernmental revenues decreased \$211,920 from fiscal year 2012. This variance is primarily due to decreases in income tax revenues of \$158,718 and Highway User revenues (\$47,431).

Miscellaneous revenues decreased \$99,128 from fiscal year 2012. During fiscal year 2012, the City received \$18,200 from insurance proceeds for a Police vehicle that was demolished. The City also received fiscal year 2012 reimbursements for community-related expenses totaling about \$16,000. In addition, there was a decrease in tree fund revenues of \$17,000 from fiscal year 2012 to fiscal year 2013. The fiscal year 2013 net loss on the disposal of City property was about \$52,000 more than the loss in fiscal year 2012.

Expenses increased by \$420,818 from fiscal year 2012 to fiscal year 2013. General Government expenses are \$127,170 more than fiscal year 2012. Workers' compensation, unemployment taxes and other insurance costs are accounted for in General Government. The variance in General Government expenses was primarily due to the \$74,400 increase in community grants, \$11,640 increase in unemployment taxes and the new administrative fees of \$12,940 assessed by the Maryland State Retirement and Pension System.

Public Works expenses increased \$225,156 primarily due to contractual costs related to environmental sustainability initiatives (\$55,761), special projects and architectural services to improve the appearance of the Community Center building (\$40,400), the hiring of additional temporary workers (\$51,000), and contractual services for storm water management projects (\$27,000). Personnel costs increased about \$34,400 from fiscal year 2012 to fiscal years 2013 due primarily to the hiring of a new Special Projects Coordinator and the filling of vacant positions in Building Maintenance, Right of Way, and Administration. Storm water management project expenses increased about \$74,000 due to a grant-funded project. These increases in expenses were offset by the \$36,000 decrease in tree maintenance and planting.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

In Housing and Community Development, the increase in expenses of \$82,604 in fiscal year 2013 was due primarily to expenses related to the implementation of recommendations of the Takoma Junction Task Force. During fiscal year 2013, contractual expenses increased \$62,000 due primarily to the environmental assessment of a City-owned lot in Takoma Junction and related pre-development costs. Personnel costs increased about \$23,700 due to filling the Community Development Coordinator position net of the savings from a temporary vacancy in the Code Inspector's position.

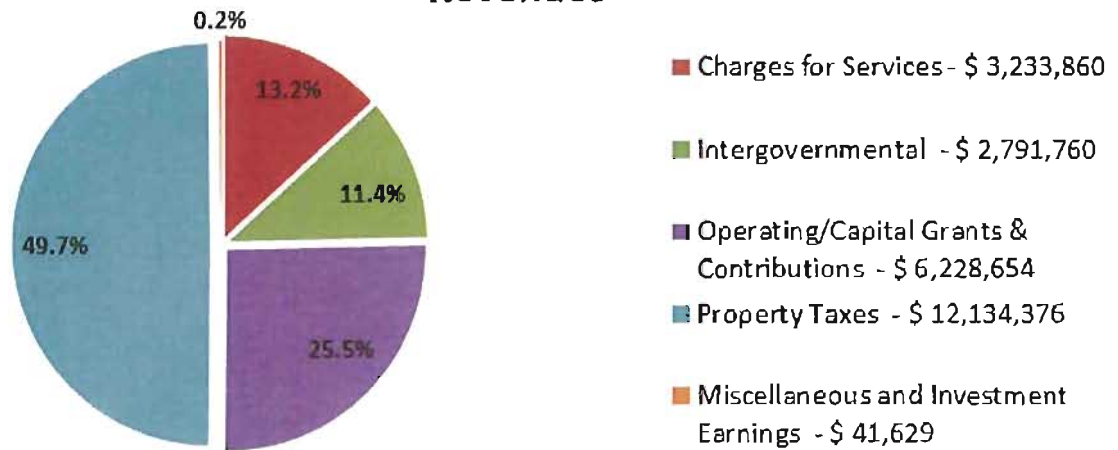
Recreation and culture expenses increased \$123,487 from fiscal year 2012 to fiscal year 2013. This variance is due primarily to the increase in personnel costs in the Recreation Department and in the Library's Computer Learning Center. About \$77,000 of this increase is due to the filling of staff vacancies, including the Recreation Director's position, and the addition of Sunday hours for the Library and Computer Learning Center starting May 1, 2013. Expenses for the purchase of books, periodicals, reference materials, media, computer supplies, and other supplies in the Library increased about \$30,000 during fiscal year 2013.

As shown previously, the cost of all governmental activities was \$21,027,610. Those who directly benefited from the services paid \$3,233,860 of the activity costs. The City also received operating and capital grants and contributions from other governments and organizations of \$6,228,654 which reduced the amount paid by City residents for certain services. The net cost of the City's governmental activities totaled \$11,565,096 and was funded with general revenues, including property taxes.

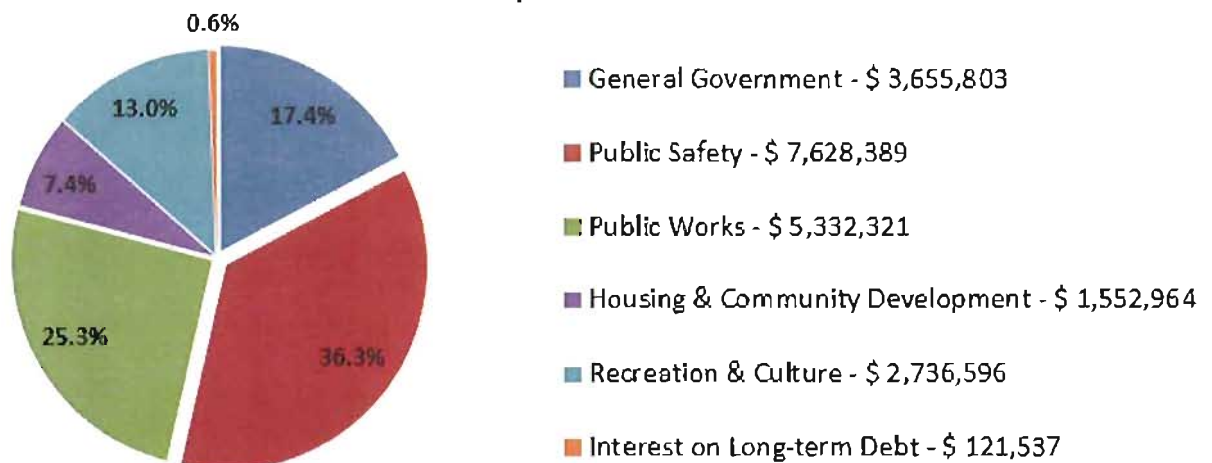
**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

**Governmental Activities
Fiscal Year Ended June 30, 2013**

Revenues

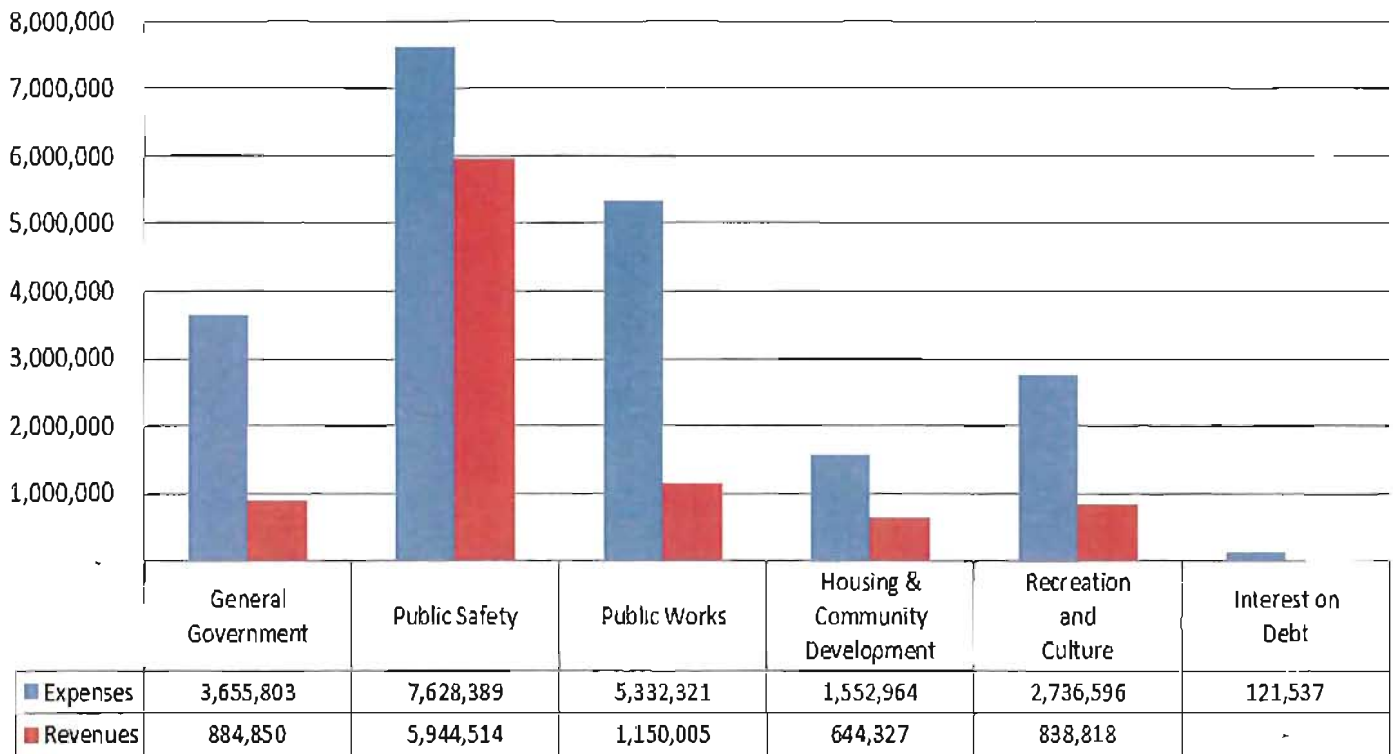


Expenses



**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

**Governmental Activities
Comparison of Program Revenues versus Expenses
Fiscal Year Ended June 30, 2013**



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2013, the City's governmental funds had combined fund balances of \$13,965,708, an increase of \$1,926,558 from the prior year. This increase is due primarily to the fiscal year 2013 increases in tax duplication payments from the Montgomery County for Police and other services (\$953,714) and the increase in property taxes (\$454,096). Other revenues from the County increased \$86,362. Revenues from passport services and parking meters increased \$26,452. Funding totaling \$88,081 was received from the State Highway Administration for street improvement design.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Approximately 24 percent of the fund balance amount is restricted or considered “nonspendable” and is not available for new spending. The portion of the fund balance that is restricted or not available for spending totals \$3,302,956.

The General Fund is the chief operating fund of the City of Takoma Park. At the end of the fiscal year, it had a total fund balance of \$11,199,139, an increase of \$2,115,684. The increase is due to the additional revenues from the County totaling \$1,040,076 (e.g., tax duplication payments), real property taxes, funding from the State Highway Administration, and charges for certain services. The General Fund fund balance includes \$225,248 which is restricted for street improvements and \$581,896 which is nonspendable (e.g., deposits and prepaid expenditures). A portion of the General Fund fund balance, totaling \$3,764,492 or 34 percent, is committed for the following purposes:

- | | |
|-------------------------|--------------|
| • Equipment Replacement | \$ 2,832,761 |
| • Emergency | 430,881 |
| • Facility Maintenance | 500,850 |

The unassigned portion of the General Fund fund balance as of June 30, 2013 is \$5,434,260.

Besides the General Fund, the City has two other major funds. The Speed Camera Fund was established to account for the activity related to the City’s Safe Speed Program. Fines and fees collected during fiscal year 2013 totaled about \$1.5 million. These fines and fees cover operational costs, including the contractual payments to the program vendor, other program administration costs including staffing, and ticket processing costs. Revenues not required for program administration costs are restricted by law and must be used for public safety purposes. The Speed Camera Fund had a fund balance of \$129,019 at June 30, 2013. The entire fund balance is restricted for public safety purposes.

The Special Revenue Fund is also a major fund. This Fund was established to account for revenue and expenditure activity related to the City’s grant activities. The Special Revenue Fund had a fund balance of \$2,361,520 as of June 30, 2013. The entire fund balance is restricted for the acquisition of cable equipment. The \$724,495 increase in the fund balance of the Special Revenue Fund resulted from the City not spending all of the cable grant funds received in fiscal year 2013.

The City has three non-major funds: the Stormwater Management Fund, the Rehabilitation Loans and Grants Fund, and the Community Center Fund.

The Stormwater Management Fund, which was established to account for revenue and expenditure activity related to the maintenance and construction of the City’s storm water systems, had a fund balance of \$270,757 as of June 30, 2013.

The Rehabilitation Loans and Grants Fund, which was established to account for activities related to loans and grants to assist low- and moderate-income City homeowners in rehabilitating

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

their homes to conform to locally adopted codes, had a fund balance of \$5,273 as of June 30, 2013. The entire fund balance is restricted and related to outstanding notes receivable.

The Community Center Fund was established to account for construction activities related to the City's community and municipal center. During fiscal year 2013, there was no construction activity related to the community and municipal center. The Community Center Fund did not have a fund balance at June 30, 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, there were net decreases totaling \$281,570 in the General Fund expenditure appropriations between the original and the final budget. The largest reduction in the appropriations related to capital outlay for the Flower Avenue Green Street Project. The original budget for this project anticipated that design and construction expenditures in the amount of \$696,000 would occur in fiscal year 2013. Due to the delay in funding from the Maryland State Highway Administration, construction expenditures did not occur during fiscal year 2013, requiring a reduction in appropriations of \$390,000. Budget increases included appropriations for modifications to the Community Center chiller system in the amount of \$34,100, the completion of the installation of security cameras in the amount of \$9,332, and vehicle equipment totaling \$13,978 for a Police vehicle delivered at the end of fiscal year 2012. The budget amendments also included appropriations for some unanticipated expenditures totaling \$51,020. These unanticipated expenditures include consultant services to identify ways to improve the appearance and durability of the Community Center facility (\$20,000), additional personnel and janitorial contract costs related to new Sunday operating hours, software to improve the recruiting process, grant-funded training, and the purchase of fire-proof file cabinets for the Human Resources Division. In summary, the expenditure appropriation decrease of \$390,000 was offset by increases totaling \$108,430. In addition, the budget amendments included a number of transfers between various expenditure accounts to properly allocate expenditure appropriations.

On a budgetary basis, actual revenues for the fiscal year exceeded the final budget by \$241,105. This increase is due primarily to income tax revenues exceeding the budget projections by \$287,127.

Actual General Fund expenditures were \$1,511,195 less than the revised budget authorization. General Government expenditures were \$319,286 less than the final budget. The budget for General Government includes expenditures (e.g., insurance premiums, workers' compensation, contingencies) that relate to all City functions. Anticipated expenditures for property and liability insurance, workers' compensation, and contingencies were \$55,000 less than budgeted. Insurance cost savings resulted from longevity credits. Employee costs for training, tuition reimbursement, and employee recognition were \$23,000 under the budget. Contractual services in General Government were \$41,800 less than budget. Personnel costs were \$211,900 less than budget due to staff vacancies in the City Manager's office, Human Resources Division, Finance Division, and the City Clerk Division.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Public Works expenditures were \$430,183 less than budget. The budget for Public Works included \$200,000 for contractual services to implement environmental initiatives. Environmental initiatives expenditures were \$144,239 under the budget. Personnel costs were \$199,000 less than budget due to staff vacancies in the Administrative Division, Building and Equipment Maintenance Divisions, Solid Waste Division, Right of Way Division, and the City Engineer Division. In the Right of Way Division, street lights, contracts, and snow removal costs together were \$12,000 less than budget. In the Urban Forest Division tree planting and maintenance were \$53,000 under the budget, and contracts were \$11,000 under the budget. In the City Engineer Division, contracts were \$45,000 less than budget.

Housing and Community Development expenditures were \$231,776 less than budget. Personnel costs were \$89,000 less than budget due to staff vacancies in Code Enforcement, Community Development, and Administration. Contracts were \$107,000 less than budgeted primarily due to the Affordable Housing Division. The Community Development Division expenditures were \$12,000 less than budget for site improvement and printing costs.

Expenditures for Recreation and Culture were \$192,843 less than budget. Recreation and Culture activities include those of the Takoma Park Library and Communications. The largest variance occurred in the Recreation and Library Departments due primarily to savings in personnel costs of \$148,000 resulting from staff vacancies, which included the Recreation Director's position and scheduling changes to reduce the need for temporary Library assistants. Library books, media supplies and other supplies were \$23,000 less than budgeted. Teen programs and contract services for the before and after school programs were \$10,200 less than budgeted.

Capital Outlay expenditures were \$255,163 less than budget. The delay in completing the Flower Avenue Green Street Project accounts for \$188,000 of this variance. Other projects that were not completed in fiscal year 2013 included the Holton Lane Gateways (\$25,850), Public Art (\$15,000), and the Ed Wilhelm Field equipment shed (\$13,000).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

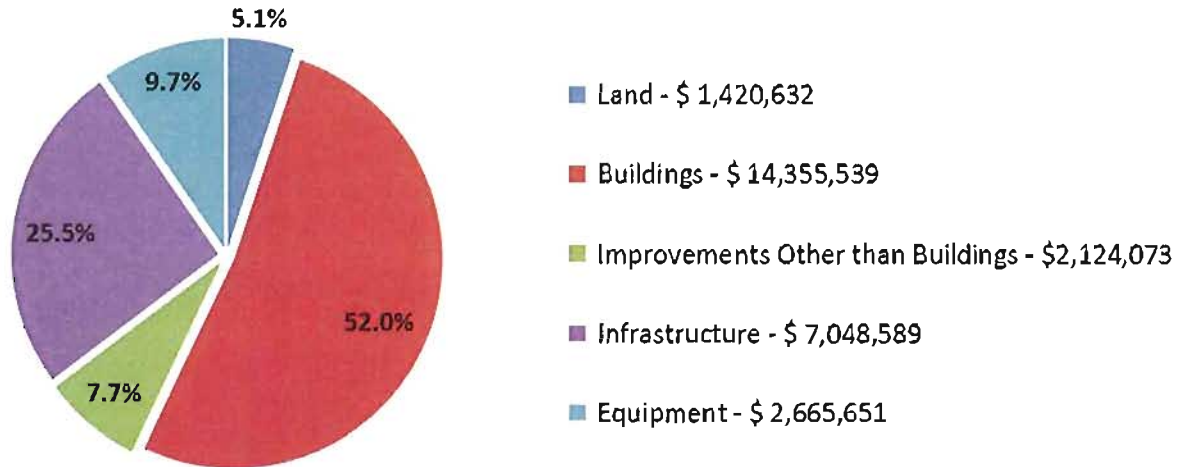
As of June 30, 2013, the City of Takoma Park's investment in capital assets (buildings, roads and other infrastructure, vehicles, and equipment) for its governmental activities totaled \$27,614,484 (net of accumulated depreciation). This amount represents an increase of \$232,821 from the prior year. The increase was primarily attributable to asset additions totaling \$1,862,919, net of depreciation expense of \$1,568,849 and asset disposals with a book value of \$61,249. Asset additions made during the fiscal year included vehicles (\$151,700) for Public Safety, vehicles and equipment (\$56,773) for Public Works, a pool vehicle (\$28,364), an irrigation system for Lee Jordan Field (\$28,960), and Public Art (\$5,000). Asset additions for the Community Center included HVAC improvements (\$56,910), and surveillance cameras (\$9,332). Infrastructure improvements of \$1,525,880 included ADA sidewalk retrofits, sidewalks, and street paving. Further information on the City's capital assets is shown in following table:

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Governmental Activities

	2013	2012
Capital Assets (net of depreciation)		
Land	\$ 1,420,632	\$ 1,420,632
Buildings	14,355,539	14,884,911
Improvements other than buildings	2,124,073	2,180,583
Infrastructure	7,048,589	5,968,307
Equipment	2,665,651	2,927,230
Total	\$ 27,614,484	\$ 27,381,663

**Capital Assets
(Net of Depreciation)
June 30, 2013**



Additional information on the City's capital assets can be found in Note 8 - Capital Assets and Other Property on page 56 of this report.

Debt Administration

At year-end, the City had \$3,752,797 in outstanding debt, a decrease of \$1,394,881 or about 27 percent from the prior year. The outstanding debt is comprised of long-term notes and bonds and accrued obligations for compensated absences. The decrease in outstanding debt was primarily due to the early redemption of the bonds in the amount of \$1,158,393. Additional principal payments

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

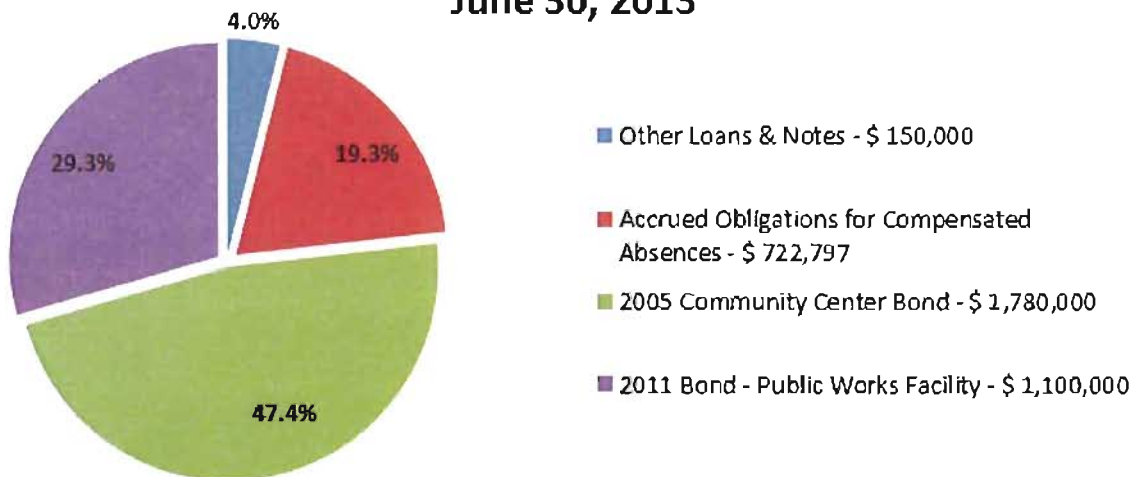
on existing debt totaled \$254,500. Compensated absences increased \$18,012.

Further information on the City's outstanding debt is shown in the following table. Information for the prior fiscal year is shown for comparative purposes.

Governmental Activities

	<u>2013</u>	<u>2012</u>
Long-Term Liabilities		
Loan Payable- MD Department of Housing & Community Development	\$ 150,000	\$ 150,000
Bonds payable – Maryland Retirement Plan	-	1,158,393
Bonds payable – Community Center (2005)	1,780,000	1,894,500
Bonds payable – Public Works Facility	1,100,000	1,240,000
Accrued obligations for compensated absences	722,797	704,785
Total	<u>\$ 3,752,797</u>	<u>\$ 5,147,678</u>

**Long-Term Liabilities
June 30, 2013**



Additional information on the City's long-term debt can be found in Note 9 - Non-Current Liabilities on pages 57- 59 of this report.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATES

The following are some highlights of the adopted budget for the fiscal year beginning July 1, 2013:

- The tax rate for real property was decreased from \$0.58 to \$0.57 per \$100 of the assessed valuation. The personal property tax rate and the railroad and utilities tax rate remain the same.
- Projected decrease of approximately \$470,387 in real property tax revenue from the prior fiscal year's budgeted amount based upon the projected taxable values.
- Anticipated revenues of \$1.5 million from the Speed Camera Program with estimated expenditures of \$1.42 million. Speed Camera Fund expenditures include operating expenditures (e.g., payments to the program contractor and Safe Speed program staff costs), and the purchase of police equipment.
- Increase in staffing level by 5.53 full-time equivalents which will include two new full-time AV specialists and several part-time positions or conversions from part-time positions to full-time positions within the Library, Recreation, Police, General Management.
- Anticipated General Fund expenditures of \$705,000 for gateway and street improvements. General Fund expenditures also include \$596,000 for the Flower Avenue Green Street Project to be paid for with a payment from the State Highway Administration.
- Expenditures of \$448,900 for the construction, maintenance, and repair of storm drains, inlets, and channels, along with several bio-retention projects.
- Funding in the amount of \$250,000 for sustainability initiatives.
- Contributions of \$1,300,000 to the Equipment Replacement Reserve and \$250,000 to the Facility Maintenance Reserve.
- Continued focus on existing services rather than undertaking new services due to uncertain national economic conditions and the ongoing budget challenges of the State of Maryland and Montgomery County, which may negatively impact the City's budget and overall financial condition.
- Impact of lower interest rates and the continued volatility of the stock market on both the City's Police Retirement Plan and the Maryland State Retirement and Pension System, possibly resulting in increases in the City's future contribution rates for both retirement plans.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the City of Takoma Park Finance Department, 7500 Maple Avenue, Takoma Park, Maryland 20912.

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BASIC FINANCIAL STATEMENTS

CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,633,321
Investments	11,781,709
Accounts receivable, net	176,661
Notes receivable, net	37,773
Due from other governments	1,290,948
Other assets	581,896
Net pension benefit	4,796
Capital assets, net	
Non-depreciable	1,420,632
Depreciable	26,193,852
TOTAL ASSETS	44,121,588
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	
Accounts payable	1,417,662
Accrued liabilities	371,670
Deposits and escrows held	136,732
Due to other governments	209,141
Unearned revenue	144,141
Non-current liabilities:	
Due within one year	908,500
Due in more than one year	2,844,297
TOTAL LIABILITIES	6,032,143
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Net investment in capital assets	25,892,877
Restricted for:	
Public safety	129,019
Cable equipment	2,361,520
Loans	5,273
Streets	225,248
Equipment replacement	2,832,761
Emergency expenses	430,881
Facility maintenance	500,850
Unrestricted	5,711,016
TOTAL NET POSITION	\$ 38,089,445

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 3,655,803	\$ 101,876	\$ 615	\$ 782,359
Public safety	7,628,389	1,709,357	4,235,157	-
Public works	5,332,321	555,926	420,737	173,342
Housing and community development	1,552,964	335,542	308,785	-
Recreation and culture	2,736,596	531,159	284,056	23,603
Interest on long-term debt	121,537	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 21,027,610	\$ 3,233,860	\$ 5,249,350	\$ 979,304
General revenues:				
Taxes:				
Property taxes, levied for general purposes				12,134,376
Intergovernmental / unrestricted				2,791,760
Miscellaneous				14,381
Unrestricted investment earnings				27,248
Total general revenues				<u>14,967,765</u>
CHANGE IN NET POSITION				3,402,669
NET POSITION, BEGINNING OF YEAR				34,686,776
NET POSITION, END OF YEAR				\$ 38,089,445

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	<u>General Fund</u>	<u>Speed Camera Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 141,318	\$ 1,646,456	\$ -	\$ 845,547	\$ 2,633,321
Investments	11,781,709	-	-	-	11,781,709
Receivables, net					
Taxes	138,923	-	-	-	138,923
Notes	-	-	32,500	5,273	37,773
Other	19,779	-	-	17,959	37,738
Due from other funds	1,593,023	4,825	1,791,376	207,534	3,596,758
Due from other governments	551,652	-	654,035	85,261	1,290,948
Other assets	581,896	-	-	-	581,896
TOTAL ASSETS	<u>14,808,300</u>	<u>1,651,281</u>	<u>2,477,911</u>	<u>1,161,574</u>	<u>20,099,066</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 14,808,300</u>	<u>\$ 1,651,281</u>	<u>\$ 2,477,911</u>	<u>\$ 1,161,574</u>	<u>\$ 20,099,066</u>
LIABILITIES					
Accounts payable	\$ 1,031,144	\$ 186,209	\$ 46,682	\$ 153,627	\$ 1,417,662
Accrued expenditures	354,356	13,777	549	2,988	371,670
Deposits and escrows held	103,826	-	8,185	24,721	136,732
Due to other funds	1,791,376	1,322,276	4,825	478,281	3,596,758
Due to other units of government	-	-	-	209,141	209,141
Unearned revenue	87,991	-	56,150	-	144,141
TOTAL LIABILITIES	<u>3,368,693</u>	<u>1,522,262</u>	<u>116,391</u>	<u>868,758</u>	<u>5,876,104</u>
DEFERRED INFLOWS OF RESOURCES	<u>240,468</u>	<u>-</u>	<u>-</u>	<u>16,786</u>	<u>257,254</u>
FUND BALANCES					
Nonspendable	581,896	-	-	-	581,896
Restricted	225,248	129,019	2,361,520	5,273	2,721,060
Committed	3,764,492	-	-	-	3,764,492
Assigned	1,193,243	-	-	270,757	1,464,000
Unassigned	5,434,260	-	-	-	5,434,260
Total fund balances	<u>11,199,139</u>	<u>129,019</u>	<u>2,361,520</u>	<u>276,030</u>	<u>13,965,708</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 14,808,300</u>	<u>\$ 1,651,281</u>	<u>\$ 2,477,911</u>	<u>\$ 1,161,574</u>	<u>\$ 20,099,066</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2013

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 13,965,708
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is \$47,626,439 and the accumulated depreciation is \$20,011,955.	27,614,484
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,752,797)
Net pension benefit is recognized as an asset on the Statement of Net Position but not in the fund financial statements.	4,796
Certain receivables are offset by unavailable revenue in the governmental funds since they are not available to pay for current-period expenditures. This is the amount of deferred inflows of resources.	<u>257,254</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 38,089,445</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013

	General Fund	Speed Camera Fund	Special Revenue Fund	Non-Major Fund	Total Governmental Funds
REVENUES					
Taxes and utility fees	\$ 14,650,731	\$ -	\$ -	\$ -	\$ 14,650,731
Licenses and permits	79,372	-	-	-	79,372
Fines and forfeitures	169,526	1,456,741	-	-	1,626,267
Use of money and property	25,908	1,340	-	-	27,248
Charges for services	1,089,571	-	-	419,411	1,508,982
Intergovernmental	5,429,915	-	1,130,805	85,261	6,645,981
Miscellaneous	84,394	-	-	5,899	90,293
Total revenues	<u>21,529,417</u>	<u>1,458,081</u>	<u>1,130,805</u>	<u>510,571</u>	<u>24,628,874</u>
EXPENDITURES					
General government	3,216,223	-	49,280	-	3,265,503
Public safety	6,005,719	1,299,440	13,850	-	7,319,009
Public works	3,803,077	-	-	282,890	4,085,967
Housing and community development	1,267,775	-	263,520	-	1,531,295
Recreation and culture	2,602,741	-	-	-	2,602,741
Capital outlay	975,647	1,060,174	87,781	239,769	2,363,371
Debt service					
Principal	1,412,893	-	-	-	1,412,893
Interest	121,537	-	-	-	121,537
Total expenditures	<u>19,405,612</u>	<u>2,359,614</u>	<u>414,431</u>	<u>522,659</u>	<u>22,702,316</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>2,123,805</u>	<u>(901,533)</u>	<u>716,374</u>	<u>(12,088)</u>	<u>1,926,558</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	<u>(8,121)</u>	<u>-</u>	<u>8,121</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>2,115,684</u>	<u>(901,533)</u>	<u>724,495</u>	<u>(12,088)</u>	<u>1,926,558</u>
FUND BALANCES, BEGINNING OF YEAR	<u>9,083,455</u>	<u>1,030,552</u>	<u>1,637,025</u>	<u>288,118</u>	<u>12,039,150</u>
FUND BALANCES, END OF YEAR	<u>\$ 11,199,139</u>	<u>\$ 129,019</u>	<u>\$ 2,361,520</u>	<u>\$ 276,030</u>	<u>\$ 13,965,708</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,926,558
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay \$1,862,919 exceeds depreciation expense \$(1,568,849) in the period.	294,070
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year). This year, leave earned exceeded used by \$18,012.	(18,012)
Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of long-term debt repayments for fiscal year 2013.	1,412,893
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(61,249)
The net effect of various transactions involving revenues and expenses is to decrease net position.	(14,245)
Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenditures. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net decrease in "unavailable" revenues at the end of the year over the amount at the beginning of the year.	(137,346)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 3,402,669

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
For the Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and utility fees	\$ 14,291,337	\$ 14,291,337	\$ 14,650,731	\$ 359,394
Licenses and permits	71,904	71,904	79,372	7,468
Fines and forfeitures	207,000	207,000	169,526	(37,474)
Use of money and property	44,000	44,000	25,908	(18,092)
Charges for services	982,125	982,125	1,089,571	107,446
Intergovernmental	6,023,571	5,609,571	5,429,915	(179,656)
Miscellaneous	78,000	82,375	84,394	2,019
Total revenues	<u>21,697,937</u>	<u>21,288,312</u>	<u>21,529,417</u>	<u>241,105</u>
EXPENDITURES				
Current:				
General government	3,625,326	3,535,509	3,216,223	319,286
Public safety	6,000,339	6,050,272	6,005,719	44,553
Public works	4,185,890	4,233,260	3,803,077	430,183
Housing and community development	1,484,044	1,499,551	1,267,775	231,776
Recreation and culture	2,767,557	2,795,584	2,602,741	192,843
Capital outlay	1,563,400	1,230,810	975,647	255,163
Debt service	1,571,821	1,571,821	1,534,430	37,391
Total expenditures	<u>21,198,377</u>	<u>20,916,807</u>	<u>19,405,612</u>	<u>1,511,195</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>499,560</u>	<u>371,505</u>	<u>2,123,805</u>	<u>1,752,300</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(27,500)</u>	<u>(377,500)</u>	<u>(8,121)</u>	<u>369,379</u>
Total other financing sources (uses)	<u>(27,500)</u>	<u>(377,500)</u>	<u>(8,121)</u>	<u>369,379</u>
NET CHANGE IN FUND BALANCE	<u>472,060</u>	<u>(5,995)</u>	<u>2,115,684</u>	<u>2,121,679</u>
FUND BALANCE, BEGINNING OF YEAR	<u>9,083,455</u>	<u>9,083,455</u>	<u>9,083,455</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,555,515</u>	<u>\$ 9,077,460</u>	<u>\$ 11,199,139</u>	<u>\$ 2,121,679</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
SPEED CAMERA FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property - interest income	\$ 2,110	\$ 2,110	\$ 1,340	\$ (770)
Fines and forfeitures	3,017,300	1,248,077	1,456,741	208,664
Total revenues	<u>3,019,410</u>	<u>1,250,187</u>	<u>1,458,081</u>	<u>207,894</u>
EXPENDITURES				
Public safety	1,917,480	1,316,065	1,299,440	16,625
Capital outlay	1,465,000	1,465,000	1,060,174	404,826
Total expenditures	<u>3,382,480</u>	<u>2,781,065</u>	<u>2,359,614</u>	<u>421,451</u>
Excess (deficiency) of revenues over expenditures	(363,070)	(1,530,878)	(901,533)	629,345
Operating transfer from General Fund	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(363,070)	(1,180,878)	(901,533)	279,345
FUND BALANCES, BEGINNING OF YEAR	<u>1,030,552</u>	<u>1,030,552</u>	<u>1,030,552</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 667,482</u>	<u>\$ (150,326)</u>	<u>\$ 129,019</u>	<u>\$ 279,345</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,117,390	\$ 1,292,466	\$ 1,130,805	\$ (161,661)
Total revenues	<u>1,117,390</u>	<u>1,292,466</u>	<u>1,130,805</u>	<u>(161,661)</u>
EXPENDITURES				
General government	10,500	11,115	49,280	(38,165)
Public safety	7,540	7,540	13,850	(6,310)
Housing and community development	134,850	309,311	263,520	45,791
Capital outlay	444,000	444,000	87,781	356,219
Total expenditures	<u>596,890</u>	<u>771,966</u>	<u>414,431</u>	<u>357,535</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>520,500</u>	<u>520,500</u>	<u>716,374</u>	<u>195,874</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	<u>27,500</u>	<u>27,500</u>	<u>8,121</u>	<u>(19,379)</u>
NET CHANGE IN FUND BALANCE	<u>548,000</u>	<u>548,000</u>	<u>724,495</u>	<u>176,495</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,637,025</u>	<u>1,637,025</u>	<u>1,637,025</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,185,025</u>	<u>\$ 2,185,025</u>	<u>\$ 2,361,520</u>	<u>\$ 176,495</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 183,213
Investments, at fair value:	
Equities	5,774,500
Fixed income	<u>2,937,459</u>
Total investments	<u>8,711,959</u>
TOTAL ASSETS	<u>8,895,172</u>
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	-
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 8,895,172</u></u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2013

	<u>Total</u>
ADDITIONS	
Employer contributions	\$ 925,794
Plan member contributions	192,493
Total contributions and other receipts	<u>1,118,287</u>
Net investment earnings	<u>934,844</u>
Total additions	<u>2,053,131</u>
DEDUCTIONS	
Benefits and refunds paid	734,949
Administrative expenses	<u>59,723</u>
Total deductions	<u>794,672</u>
CHANGE IN NET POSITION	1,258,459
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>7,636,713</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 8,895,172</u></u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to financial statements.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments. A summary of significant accounting policies followed by the City are presented below.

REPORTING ENTITY

The City of Takoma Park, Maryland (the City) was incorporated in 1890 with its legal authority derived from Chapter 310, Section 2 of the Annotated Code of Maryland. The City is construed to mean both the City and its inhabitants. Since 1989, the City has operated under the Council-Manager form of government. Services provided include refuse, streets and drainage, recreation and parks, police, planning, community development, and housing services.

For financial reporting purposes, in conformance with accounting principles generally accepted in the United States of America, the reporting entity includes the City Council, the primary government, and the following fiduciary funds:

City of Takoma Park Police Employees' Retirement Plan (Pension Trust)
City of Takoma Park Employees 401(a) Plan (Defined Contribution Plan)

The City has no component units as defined by generally accepted accounting principles.

Additional information and actuarial reports for the pension plan and additional plan information for the 401(a) plan may be obtained from the City Clerk's office, 7500 Maple Avenue, Takoma Park, Maryland 20912.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are that interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are those which are supported by taxes and intergovernmental revenues, whereas business-type activities are those supported through customer service charges. The City does not have any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those specifically associated with a program or function. Program revenues include charges for services and grants and contributions restricted to the capital or operational requirements of specific programs or functions. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

Separate financial statements are shown for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The accounting and financial reporting is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized in the year of levy and grants are recognized when all eligibility requirements are met. For pension trust funds, employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Governmental fund statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction that can be determined and available means collected within 60 days of the year-end. Expenditures are recorded when the related liability is incurred as in the accrual basis of accounting. However, principal and interest on long-term debt and expenditures for compensated absences are recorded when the payments are due.

Those revenues susceptible to accrual are property taxes, taxes collected by the state and county on behalf of the City, franchise taxes, revenues from other agencies, interest revenue and charges for services. Fines and forfeitures, licenses, permits, penalties and interest (on property taxes) and other revenues become measurable and available when cash is received by the City and are recognized as revenue at that time.

The City has three major governmental funds: General Fund, Speed Camera Fund and Special Revenue Fund. The General Fund accounts for the normal recurring activities of the City such as police, public works, recreation and parks, general government, etc. These activities are financed primarily by property taxes, other taxes, service charges and grants from other governmental units. The Speed Camera Fund accounts for the financial activity related to the City's speed enforcement cameras. The Special Revenue Fund was established to account for the financial activity of proceeds of special revenue sources that are legally restricted to expenditure for specific purposes. During fiscal year 2013, most Special Revenue Fund revenues came from cable companies for upgrading cable equipment. There are three non-major governmental funds: the Stormwater Management Fund, the Rehabilitation Loans and Grants Fund, and the Community Center Fund. The Stormwater Management Fund was established to track the financial activity related to construction of the City's stormwater management facilities. The Rehabilitation Loans and Grants Fund accounts for the financial activity related to the City's rehabilitation loans and grants. The Community Center Fund accounts for the financial activity related to the construction of the City's Community Center. The Fiduciary Fund accounts for the financial activity of the City's Police Employees' Retirement Plan and the City's defined contribution pension plan.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET
POSITION AND FUND BALANCES**

In June 2011, GASB issued Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides guidance on reporting deferred inflows and outflows of resources and redefines net assets as net position. The City has implemented this standard as of July 1, 2012.

In March 2012, GASB issued Statement No. 65, *“Items Previously Reported as Assets and Liabilities.”* This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City has implemented this standard as of July 1, 2012.

Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at the time of purchase. Cash deposits of the City are made in accordance with the Annotated Code of Maryland (the Code), which requires depositories to give security in the form of collateral as provided for in the Code, for the safekeeping of these deposits.

Excess funds are also permitted to be invested either in bonds or other obligations for the payment of principal and interest of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued pursuant to acts of Congress, or in the local government investment pool created by the State of Maryland. The Pension Trust Funds are also authorized to invest in corporate bonds and notes, preferred stocks, and common stocks. Investments are reported at fair value. Assets in the Pension Trust Funds are also reported at fair value.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)

Receivables and Payables

Property taxes are reported at their estimated collectible value. The following summarizes the property tax calendar:

	<u>Real Property</u>	<u>Personal and Corporate</u>
Assessment roll validated:	Dec. 31	Jan. 1
Tax rate ordinance approved:	June 30	June 30
Beginning of fiscal year for which taxes have been levied:	July 1	July 1
Tax bills rendered and due:	July 1	On County bill
Owner-occupied residential:	July 1 and Jan. 1	July 1 and Jan. 1
Property taxes payable:		
Delinquent	Oct. 1, Jan. 1	After 30 days
Terms	60 days	30 days
Delinquent interest, per month	2/3 of 1%	2/3 of 1%

Information presented is for a “full year” levy. “Half year” levy dates are each six months later, and relate to new construction in the first six months of the calendar year. A lien is attached to property on the billing date and sold at tax sale by the end of 18 months.

Allowances for uncollectible accounts are maintained on all types of receivables that historically experience bad debt. Receivables are shown net of such an allowance for uncollectibles. Real property taxes are generally fully collectible.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure such as roads, storm drains and pipe systems, are reported in the governmental activities in the government-wide financial statements. In accordance with GASB 34, the City has included infrastructure. The City defines capital assets as those which have an individual acquisition cost or donated value of at least \$5,000 (except for infrastructure which is \$100,000) and an estimated useful life of three years or more. Such assets are valued at historical or estimated historical cost if actual cost is not available. Donated assets are stated at their donated value at the date of donation. The cost of normal maintenance and repairs that do not add value or extend asset lives are not capitalized.

In accordance with GASB 51 intangible assets are capitalized at historical cost or fair market value, if donated. Capitalization thresholds are \$500,000 for internally generated computer software, \$250,000 for other computer software and \$100,000 for land use rights and other intangible assets such as patents, trademarks, and copyrights.

Expenditures for major assets and improvements are capitalized as the assets are acquired or constructed. Interest on debt during the construction period is capitalized. Exhaustible capital assets are depreciated, which is charged as an expense against their operations. Land is not an exhaustible asset and is a non-depreciable asset. Accumulated depreciation is reported in the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. Intangible assets are amortized over their useful lives using the straight line method if they do not have indefinite useful lives. Estimated useful lives are as follows

Buildings	20 - 40 years
Improvements other than buildings	25 - 50 years
Equipment	4 - 10 years
Infrastructure	25 - 50 years

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the face amount of newly issued debt is reported as other financing sources and the amount of principal repayment is reported as an expenditure.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)

Compensated Absences

Vested vacation is accrued when earned by employees and a liability is recorded in the government-wide financial statements. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits, as the City does not pay these amounts when employees separate from service.

The City pays outstanding vacation leave at separation. The accrual of \$722,797 is included as “non-current liabilities” in the government-wide statements.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Net Position

Equity is classified as net position and is displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and reduced or increased by deferred inflows and outflows attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation and are reduced by liabilities and deferred inflows of resources related to those constraints.

Unrestricted net position – consist of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first and then unrestricted resources as needed.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2013

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of restrictions imposed externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by the City Charter, City Code or enabling legislation.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action (ordinance) by City Council, the City's highest level of decision-making authority, and can only be changed by a formal action by City Council ordinance.
4. Assigned Fund Balance – amounts that are constrained by the City's intent that they will be used for specific purposes but are neither restricted nor committed. Pursuant to the City Charter, the City Manager and the City Council are authorized to assign amounts for specific purposes.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The City considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City also considers committed fund balances to be spent first, assigned fund balances to be spent second and unassigned fund balances be spent last when other unrestricted fund balance classifications are available for use.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The budget ordinance becomes effective July 1 and provides spending authority for the operations of the City government.
3. In compliance with the City Charter, a general expenditure contingency (equal to at least 0.5% of total budgeted revenue for the general fund) is budgeted. The account is maintained to meet extraordinary or unanticipated expenditures as directed by the Council.
4. The City Manager may reallocate expenditures within the budget adopted by the Council, subject to such restrictions as the Council shall impose by ordinance. Subsequent to passage of the budget ordinance, the City Council must approve additional expenditures.
5. At the end of the fiscal year, unencumbered appropriations lapse.
6. The annual budgets for the General, Stormwater Management, Speed Camera Fund, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control is maintained at the fund level. An annual budget is not adopted for the Rehabilitation Loans and Grants Fund and Community Center Fund.
7. The budget information presented in the accompanying basic financial statements includes all budget ordinances and amendments as approved by the City Council for the fiscal year ending June 30, 2013.

NOTE 2 – CASH AND INVESTMENTS

A. Cash on Hand

At year-end, cash on hand for petty cash and change funds was \$1,376.

B. Deposits

At year-end, the carrying amount of the City of Takoma Park (the City) deposits was \$2,631,945 and the corresponding bank balances were \$2,631,488. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and \$2,381,488 was covered by collateral held in the pledging bank's trust department in the City's name. The City was not exposed to custodial credit risk as of June 30, 2013. The City has a contractual arrangement with the bank for funds to be transferred daily from investment in a repurchase agreement to cover checks as presented.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Investments

At June 30, 2013, the City's investment balances by type were as follows:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in Year)</u>		
			<u>Less than 1</u>	<u>1-5</u>	<u>More than 5</u>
Repurchase agreements	AAA	\$ 8,382,187	\$ 8,382,187	\$ -	\$ -
Maryland Local Government Investment Pool	AAAm	1,338,168	1,338,168	-	-
Money Market Mutual Funds*	AAAm	183,213	183,213	-	-
Equities*	N/A	5,774,500	-	-	5,774,500
Certificates of Deposit	Not Rated	1,827,328	608,971	1,218,357	-
Government Bonds	AAA	234,026	-	234,026	-
Fixed Income*	**	2,937,459	-	2,056,269	881,190
Total investments		<u>\$ 20,676,881</u>	<u>\$ 10,512,539</u>	<u>\$ 3,508,652</u>	<u>\$ 6,655,690</u>

* Included in Fiduciary Funds.

** 72.7% of portfolio is rated Aaa; 3.7% is rated Aa; 11.9% is rated A and 11.7 % is rated Baa.

D. Reconciliation of cash and investments as shown on the Statement of Net Position:

Cash on hand	\$ 1,376
Carrying amount of deposits	2,631,945
Carrying amount of investments	<u>20,676,881</u>
Total cash and investments	23,310,202
Less fiduciary funds	<u>8,895,172</u>
Total cash and investments per Statement of Net Position	<u>\$ 14,415,030</u>
Cash and cash equivalents	2,633,321
Investments	<u>11,781,709</u>
Total cash and investments per Statement of Net Position	<u>\$ 14,415,030</u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investment interest rate risk

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the City's exposure to fair value losses arising from increasing interest rates, the City's investment policy limits the term of investment maturities except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. The City's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. The investments at June 30, 2013 met the City's investment policy as of that date.

Investment income includes the following for the year ended June 30, 2013:

Total net investment income per Statement of Activities	\$ <u>27,248</u>
---	------------------

Net investment income per the Statement of Activities of \$27,248 is comprised of dividends and interest.

The net investment earnings per the *Statement of Changes in Fiduciary Net Position* is comprised of the following:

Dividends and interest	\$ 226,416
Realized gain	33,535
Unrealized gain (loss)	674,893
	<u>\$ 934,844</u>

The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments, and realized gains and losses of the current period include unrealized amounts from prior periods.

Credit Risk

The City invests in the Maryland Local Government Investment Pool (MLGIP) which is under the administration of the State Treasurer. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value. The City's policy is to attain a rate of return consistent with credit risk. All investments in U.S. Government Agencies Bonds are rated AAA by Standard & Poor's as of June 30, 2013. The MLGIP is rated AAAM by Standard & Poor's. The repurchase agreements are guaranteed by financial institutions that are rated AAA by Standard & Poor's. The City places no limit on the amount the City may invest in any one issuer. The Fiduciary Funds investments have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The City's investments were \$8,382,187 in repurchase agreements, \$1,338,168 in MLGIP, \$5,774,500 in direct securities, \$1,827,328 in certificates of deposit, \$234,026 in government bonds, and \$183,213 in money market funds. At June 30, 2013, all of the City's investments were insured or registered, or the securities were held by the City or its agent in the City's name or were invested in the MLGIP.

NOTE 3 – PROPERTY TAXES

Real and personal property taxes are levied at rates enacted by the City Council in the annual budget ordinance on the assessed value of the property as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings.

The real, personal property and public utility tax rate for fiscal year 2013 was \$0.580 per \$100, \$1.550 per \$100, and \$1.57 per \$100, respectively, of assessed value. The City charges taxpayers interest (at the rate of 2/3 of 1% per month) and penalties (at the rate of 1% per month) on all overdue taxes.

Property tax revenues are recognized in the year levied and when they become available, including amounts expected to be collected soon enough after the end of the year to be used to pay liabilities of the current period (estimated by the City as 60 days). At June 30, 2013, taxes receivable, net of an allowance for uncollectibles of \$103,977, amounted to \$138,923.

NOTE 4 – NOTES RECEIVABLES, NET

Notes receivable of \$37,773 are comprised of \$32,500 and \$5,273 recorded in Special Revenue Fund and the Rehabilitation Loans and Grants Fund (Rehabilitation Loans Fund), respectively. Notes receivable recorded in the Rehabilitation Loans Fund consist mainly of below market interest rate loans made to City homeowners of low and moderate income through the rehabilitation loan and grant program, for the purpose of conforming their homes to locally adopted codes and fund balance is nonspendable for general purposes, and may only be used for loans serving the same purpose. At June 30, 2013, notes receivable – Rehabilitation Loans Fund, net of allowances for uncollectibles of \$2,233, amounted to \$5,273.

The notes receivable in the amount of \$32,500, net of allowance for uncollectible of \$0, recorded in the Special Revenue Fund as a note receivable and unearned revenue consists of an unsecured loan to a nonprofit organization for repaving and other improvements along Maple Avenue. Repayment terms call for 0% interest rate and monthly payments of \$417 beginning in January, 2010 with full payment no later than December, 2019. If the organization defaults on the loan the interest rate may be increased to 6%.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 – UNAVAILABLE AND UNEARNED REVENUES

Governmental funds report advanced revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and Governmental Activities also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the fiscal year, the unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Income taxes, General Fund	\$ 165,470	\$ -	\$ 165,470
Property taxes receivable, General Fund	62,581	-	62,581
Charges for services, General Fund	12,417	-	12,417
Fees, General Fund	-	60,704	60,704
Stormwater receivable	16,786	-	16,786
General Fund	-	27,287	27,287
Grant funds received in excess of expenditures			
Special Revenue Fund	-	56,150	56,150
	<u>\$ 257,254</u>	<u>\$ 144,141</u>	<u>\$ 401,395</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The General Fund periodically advances funds to the Special Revenue Fund and the Community Center Fund to cover operating cash deficits. In addition, transfers are used to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

During the year ended June 30, 2013, the General Fund transferred \$8,121 to the Special Revenue Fund to provide the required matching funds for grants.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS (CONTINUED)

The balances at June 30, 2013 of individual fund interfund borrowings were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,593,023	\$ 1,791,376
Speed Camera	4,825	1,322,276
Special Revenue	1,791,376	4,825
	<u>3,389,224</u>	<u>3,118,477</u>
Non-major funds:		
Community Center	207,226	207,226
Storm Water	308	268,917
Rehab Loan	-	2,138
	<u>207,534</u>	<u>478,281</u>
Total	<u><u>\$ 3,596,758</u></u>	<u><u>\$ 3,596,758</u></u>

NOTE 7 – DUE FROM OTHER GOVERNMENTS

The June 30, 2013 balance of due from other governments is as follows:

Federal Government	\$ 3,076
State of Maryland:	
Income tax	174,032
Income tax reserve	165,470
Highway user tax	19,418
Amusement tax	36
State Highway Administration	114,652
Department of Natural Resources	85,261
Department of Natural Resources - Program Open Space	23,603
Department of Housing and Community Development	16,965
Montgomery County	669,749
Hotel Tax	<u>18,686</u>
Total	<u><u>\$ 1,290,948</u></u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 – CAPITAL ASSETS AND OTHER PROPERTY

A summary of changes in capital assets during fiscal year 2013 follows:

	Balance June 30, 2012	Additions and Transfers	Deletions and Transfers	Balance June 30, 2013
Capital assets (not being depreciated)				
Land	\$ 1,420,632	\$ -	\$ -	\$ 1,420,632
Total non-depreciable capital assets	<u>1,420,632</u>	<u>-</u>	<u>-</u>	<u>1,420,632</u>
Capital assets (being depreciated)				
Buildings	18,535,917	-	-	18,535,917
Improvements other than buildings	3,301,653	33,960	(20,215)	3,315,398
Equipment	5,914,456	303,079	(548,186)	5,669,349
Infrastructure	17,159,263	1,525,880	-	18,685,143
Total depreciable capital assets	<u>44,911,289</u>	<u>1,862,919</u>	<u>(568,401)</u>	<u>46,205,807</u>
Less - accumulated depreciation for:				
Buildings	(3,651,006)	(529,372)	-	(4,180,378)
Improvements other than buildings	(1,121,070)	(70,255)	-	(1,191,325)
Equipment	(2,987,226)	(523,624)	507,152	(3,003,698)
Infrastructure	<u>(11,190,956)</u>	<u>(445,598)</u>	<u>-</u>	<u>(11,636,554)</u>
Total accumulated depreciation	<u>(18,950,258)</u>	<u>(1,568,849)</u>	<u>507,152</u>	<u>(20,011,955)</u>
Total capital assets being depreciated	<u>25,961,031</u>	<u>294,070</u>	<u>(61,249)</u>	<u>26,193,852</u>
Total capital assets	<u><u>\$ 27,381,663</u></u>	<u><u>\$ 294,070</u></u>	<u><u>\$ (61,249)</u></u>	<u><u>\$ 27,614,484</u></u>
General government			\$ 358,021	
Public safety			215,778	
Housing and community development			15,009	
Public works			846,186	
Recreation and culture			133,855	
			<u><u>\$ 1,568,849</u></u>	

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 – NON-CURRENT LIABILITIES

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2013:

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013	Due Within One Year	Coupon Interest Rate	Date of Maturity
Notes payable:							
Loan payable -							
Maryland Department of							
Housing and Community							
Development (DHCD)	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -	0.00%	June 2022
Other long-term liabilities:							
Bonds payable	1,158,393	-	(1,158,393)	-	-	3.59%	April 2020
Bonds payable	1,894,500	-	(114,500)	1,780,000	118,500	4.00%	May 2025
Bonds payable	1,240,000	-	(140,000)	1,100,000	145,000	2.97%	June 2020
Compensated absences	704,785	659,029	(641,017)	722,797	645,000		
	<u>\$ 5,147,678</u>	<u>\$ 659,029</u>	<u>\$ (2,053,910)</u>	<u>\$ 3,752,797</u>	<u>\$ 908,500</u>		

A. Notes and Bonds

In June, 2004 the City entered into a Community Legacy Program Loan Agreement with the Maryland Department of Housing and Community Development for an unsecured loan of up to \$300,000 for the construction of a multi-level public parking structure in the Old Town business district. This Agreement was amended in June, 2008, and funds were reallocated for other parking related improvements. The total amount of the loan proceeds through June 30, 2010 was \$150,000. The interest rate is 0% annually and principal and interest payments are deferred until June 30, 2022 at which time the unpaid and un-forgiven portion of the loan is due and payable. The balance of the loan at June 30, 2013 is \$150,000.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

A. Notes and Bonds

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ -	\$ -
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019-2022	150,000	-	150,000
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

On May 26, 2005, the City issued bonds in the amount of \$2,600,000 to be used for the community center construction project. The principal is to be repaid in variable amounts, increasing each year until the bond is paid. Interest payments are based on variable interest rates. The interest rate at June 30, 2013 was 4.00%. The balance at June 30, 2013 is \$1,780,000.

The annual installments for the repayment of the bond as of June 30, 2013 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 118,500	\$ 76,246	\$ 194,746
2015	123,000	71,269	194,269
2016	127,500	66,103	193,603
2017	133,000	60,747	193,747
2018	138,000	55,162	193,162
2019 - 2023	779,500	183,856	963,356
2024 - 2025	360,500	24,230	384,730
Total	<u>\$ 1,780,000</u>	<u>\$ 537,613</u>	<u>\$ 2,317,613</u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

On April 21, 2010 the City issued bonds in the amount of \$1,400,000 to be used for funding the unfunded pension liability to the State Retirement and Pension System of Maryland. The principal and interest is to be repaid with quarterly payments of \$41,813 at a 3.59% interest rate. The balance at June 30, 2013 is \$0.

In July, 2010 the City issued bonds in the amount of \$1,500,000 to renovate the Public Works facility. The interest rate is 2.97% annually. Principal is repaid annually and interest payments are made semiannually. The loan matures on June 15, 2020. The balance of the loan at June 30, 2013 is \$1,100,000. The annual installments for the repayment of the loan as of June 30, 2013 are as follows:

Fiscal Years	Principal	Interest	Total
2014	\$ 145,000	\$ 32,670	\$ 177,670
2015	150,000	28,364	178,364
2016	155,000	23,909	178,909
2017	155,000	19,304	174,304
2018	160,000	14,702	174,702
2019 - 2020	335,000	14,999	349,999
Total	\$ 1,100,000	\$ 133,948	\$ 1,233,948

NOTE 10 – DEFERRED INFLOWS OF RESOURCES – GOVERNMENTAL FUNDS

Deferred inflows of resources are comprised of the following amounts as of June 30, 2013:

	General Fund	Non-Major Fund	Total
Income taxes	\$ 165,470	\$ -	\$ 165,470
Property taxes receivable	62,581	-	62,581
Charges for services	12,417	-	12,417
Stormwater receivable	-	16,786	16,786
	\$ 240,468	\$ 16,786	\$ 257,254

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11 – FUND BALANCES

Fund balances for the City's governmental funds consisted of the following as of June 30, 2013:

Nonspendable Fund Balances

Nonspendable fund balances total \$581,896, as of June 30, 2013, comprised of prepaid expenditures of \$573,450, and trash bins of \$8,446 in the General Fund.

Restricted Fund Balances

Restricted fund balances total \$2,721,060 as of June 30, 2013. The General Fund restricted fund balance at June 30, 2013 is \$225,248 pertaining to street improvements. Fund balance in the Speed Camera Fund is restricted to public safety projects. At June 30, 2013, this amount was \$129,019. The fund balance in the Special Revenue Fund is restricted to cable equipment and related expenditures. At June 30, 2013, this amount was \$2,361,520. The amount restricted in the Rehabilitation Loans and Grants Fund related to notes receivable is \$5,273 as of June 30, 2013.

Committed Fund Balances

The General Fund has \$3,764,492 in committed fund balances as of June 30, 2013. This is comprised of the following:

General fund:

Equipment replacement reserve	\$ 2,832,761
Emergency reserve	430,881
Facility maintenance reserve	500,850
	<u>\$ 3,764,492</u>

The Charter requires a minimum reservation of \$250,000 to cover emergencies, plus a percentage increase each year, equal to the percentage increase in the Consumer Price Index. The City has committed \$430,881 for emergency expenses as of June 30, 2013.

Assigned Fund Balances

Assigned fund balances total \$1,464,000 comprised of \$270,757 in the Stormwater Management Fund assigned to stormwater management projects and \$1,193,243 in the general fund for future expenditures.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT PLANS

A. Description of Plans

The State of Maryland identifies multiple-employer defined benefit pension plans as cost-sharing plans.

On October 1, 1941, the Employees' Retirement System of the State of Maryland was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension System was established.

The Employees Pension System of the State of Maryland (Pension System) was established January 1, 1980. The Pension System covers employees hired after December 31, 1979, as well as Retirement System participants who have voluntarily joined the Pension System. The Employees Contributory Pension System of the State of Maryland (Contributory Pension System) was established July 1, 1998. As of July 1, 1999, and retroactively to July 1, 1998, the City elected to participate in the Contributory Pension System for all service earned on or after July 1, 1998.

Under the terms of the Retirement System, a member hired may retire with full benefits upon attaining age 60 or after completing 30 years of eligible service regardless of age. A member may retire with reduced benefits prior to attaining age 60 after completing 25 years of eligible service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested retirement allowance upon age 60.

Under the terms of the Contributory Pension System, a member hired before July 1, 2011 may retire after 30 years of service regardless of age; at age 65 with two years of service; at age 64 with three years of service; at age 63 with four years of service; or at age 62 with at least five years of service. An employee hired before July 1, 2011 may also take early retirement with reduced benefits at age 55 with 15 years of service. A member hired before July 1, 2011 terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 62. Members hired on or after July 1, 2011 may retire when their age and years of eligibility service totals 90 years or at age 65 with 10 years of eligibility service. Members hired on or after July 1, 2011 may retire with reduced benefits at age 60 with 15 years of eligibility service. A member hired on or after July 1, 2011 terminating employment before attaining retirement age, but after completing ten years of eligible service becomes eligible for a vested pension allowance upon reaching age 65.

On retirement from service, a member of any of these plans shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service multiplied by a factor. This factor varies from 1.2% to 2.0% per eligible service year, depending on employee/employer contributions and other plan-specific provisions. Early retirement, where available, is subject to provisions that reduce the benefit received.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT PLANS (CONTINUED)

A. Description of Plans (Continued)

Benefits under the two plans are established under the State Personnel and Pensions Article of the Annotated Code of Maryland.

The State Retirement and Pension System of Maryland issues a comprehensive annual financial report that includes disclosures regarding: actuarial value of assets; total actuarial accrued liability; unfunded actuarial accrued liability, if any; and funded liability ratio. This report can be obtained from the agency's office as follows:

State Retirement and Pension System of Maryland
120 E. Baltimore Street, Suite 1601
Baltimore, Maryland 21202-1600

Funding Policy

Obligations to contribute to the plans are under the Annotated Code of Maryland. Members of the three plans contribute a percentage of their gross employee compensation. For the Retirement System and Contributory Pension System, members contribute 7 percent, 5 percent or 2 percent. Contribution rate to the Contributory Pension System was 5 percent for fiscal year 2011 and will be 7 percent for each fiscal year thereafter.

Required contributions under the plans are not funded by employee contributions but are funded entirely by the City. Contributions by the City to all three State plans take place during the fiscal year and are based upon salaries for the preceding fiscal year. The City contributions for the year ending June 30, 2013 are based on salaries for the year ending June 30, 2012. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees. The required and actual contributions for the fiscal years ending June 30th were as follows:

	Fiscal Year Ending June 30		
	2013	2012	2011
Retirement plan contributions	<u>\$419,070</u>	<u>\$581,364</u>	<u>\$581,285</u>

B. City of Takoma Park Police Employees' Retirement Plan

General

This Retirement Plan is a single-employer contributory defined benefit pension plan established by City ordinance. The plan is governed by the City of Takoma Park which is responsible for the management of plan assets. The City has delegated the authority to manage plan assets to PNC Institutional Investments. The City does not issue a separate audited annual financial report for the Retirement Plan.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT COMMITMENTS (CONTINUED)

B. City of Takoma Park Police Employees' Retirement Plan (Continued)

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated values.

Plan Membership

As of July 1, 2013, the pension plan's membership consisted of:

Active employees	42
Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>
Total	<u><u>64</u></u>

Contribution Information and Funding Policy

The Plan covers sworn police officers who are employed on a regular full-time basis. Provisions of the Plan include retirement, disability and death benefits to plan members and their beneficiaries. Cost of living adjustments are provided annually as prescribed by the City Code.

Contributions to the Plan made by the City are based on an actuarially determined rate. The police officers contribute to the Plan based on 7% of salaries. Member's actual contributions were \$192,493 at June 30, 2013. Administrative costs are financed through investment earnings.

The actuarially required contributions for the years ended June 30, 2013, 2012, and 2011 were \$923,331, \$924,278, and \$930,263, respectively. The amounts paid into the Plan for each of the years ended June 30, 2013, 2012, and 2011 were equal to the actuarially required contributions.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT COMMITMENTS (CONTINUED)

B. City of Takoma Park Police Employees' Retirement Plan (Continued)

Annual Pension Cost and Net Pension Benefit

The City's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 923,331
Interest on NPO	(361)
Adjustment to ARC	83
Annual pension cost	<u>923,053</u>
Contributions made	<u>923,331</u>
Increase in net pension benefit	<u>278</u>
Net pension benefit, beginning of year	<u>4,518</u>
 Net pension benefit, end of year	 <u><u>\$ 4,796</u></u>

The annual pension cost for 2013, 2012, and 2011 was \$923,053, \$924,015, and \$929,948, respectively. The contributions made as a percentage of the annual pension cost for 2013, 2012, 2011 were 100%, 100%, and 100%, respectively. The net pension benefit as of June 30, 2013, 2012, 2011 was \$4,796, \$4,518, and \$4,255 respectively. The net pension assets for 2013, 2012, and 2011, were \$8,692,671, \$7,428,590, and \$6,795,092, respectively. The annual required contribution for the current year was determined as part of the actuarial valuation on July 1, 2012 using the projected unit credit method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases at 5.5% compounded annually per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using the five year smoothed asset value method. The unfunded actuarial accrued liability is being amortized as a level percent of payroll over 22 years. The remaining amortization period at June 30, 2001 was 20 years, which is reestablished each year.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the accrued actuarial liability.

Actuarial valuation date:	June 30, 2013
Actuarial value of assets:	\$ 8,700,353
Actuarial accrued liability (AAL):	\$ 20,508,708
Total unfunded actuarial accrued liability:	\$ 11,808,355
Actuarial value of assets as a percentage of the AAL (funded ratio):	42.4%
Annual covered payroll:	\$ 2,849,563
Ratio of unfunded actuarial liability to annual covered payroll:	414.4%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT COMMITMENTS (CONTINUED)

C. 457 Deferred Compensation Plan

All employees of the City Government may participate in the deferred compensation plan organized under the Internal Revenue Code Section 457, and administered by the International City Management Association Retirement Corporation (“ICMA-RC”). Under the terms of the plan, participating employees may have a portion of their salaries withheld, subject to limitations imposed by the Internal Revenue Service, and invested in the plan. All taxes are deferred on these contributions and related earnings until the participant terminates from the plan. The City is in compliance with the Internal Revenue Code Section 457(g) requiring all assets and income of the plan to be held in trust for the exclusive benefit of participants and their beneficiaries. Management’s involvement with the plan is limited to transferring amounts withheld from payroll to the Plan Administrator. Management has little administrative involvement with the plan and does not perform the investing function for the plan. Accordingly, the fair values of the plan assets are not reflected in the City’s financial statements.

D. Defined Contribution

The City of Takoma Park Governmental Money Purchase Plan & Trust is a defined contribution pension plan established to provide benefits to certain employees. At June 30, 2013, there were three inactive participants. During the first quarter fiscal year 2013, the City was required to contribute 8.99% of an active participants’ monthly compensation. Plan provisions and contribution requirements are established and may be amended by the City Council. The City’s contribution to the plan for the year ended June 30, 2013 was \$2,463. The plan administrator is ICMA-RC.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 12 – RETIREMENT COMMITMENTS (CONTINUED)

E. Condensed Financial Information

	Pension Trust	Defined Contribution Plan	Total
ASSETS			
Cash and cash equivalents	\$ 183,213	\$ -	\$ 183,213
Total investments	<u>8,509,458</u>	<u>202,501</u>	<u>8,711,959</u>
TOTAL ASSETS	<u>8,692,671</u>	<u>202,501</u>	<u>8,895,172</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>
NET POSITION - Held in trust for pension benefits	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>
ADDITIONS			
Total contributions	\$ 1,115,824	\$ 2,463	\$ 1,118,287
Net investment earnings	<u>913,372</u>	<u>21,472</u>	<u>934,844</u>
Total additions (deductions)	<u>2,029,196</u>	<u>23,935</u>	<u>2,053,131</u>
DEDUCTIONS			
Total deductions	<u>765,115</u>	<u>29,557</u>	<u>794,672</u>
CHANGE IN NET POSITION	1,264,081	(5,622)	1,258,459
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>7,428,590</u>	<u>208,123</u>	<u>7,636,713</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 13 – RISKS AND UNCERTAINTIES

The Police Employees' Retirement Plan and the Defined Contribution Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position available for benefits.

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in certain federally-assisted grant programs, principally Community Development Block Grants. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial which has been the case in previous program audits.

The City is subject to various legal proceedings. In the opinion of the City Attorneys, the potential liability arising from claims against the City not covered by insurance, would not materially affect the financial statements.

NOTE 15 – POST RETIREMENT BENEFITS

The City does not provide and has no liability for post-retirement benefits at June 30, 2013.

NOTE 16 – RISK MANAGEMENT

The City's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For property, general, excess and environmental liability coverage, the City is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

The City pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage in any of the past three fiscal years.

The City is fully insured for worker's compensation through the Insured Workers Insurance Fund. Employees are bonded through commercial insurance carriers to limit the loss to the City in the event of employees committing acts of embezzlement or theft.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued the following statements:

Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, issued March 2012, effective for financial statements for periods beginning after December 15, 2012.

Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, issued June 2012, effective for financial statements for fiscal years beginning after June 15, 2013.

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012, effective for financial statements for fiscal years beginning after June 15, 2014.

Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013, effective for fiscal years beginning after December 15, 2013.

Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013, effective for fiscal years beginning after June 15, 2013.

The City will implement these statements as necessary as of their effective dates. While the City is still in the process of determining the effect of implementing these GASB statements, they are not expected to have a material effect on the financial position of the City.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF TAKOMA PARK, MARYLAND
REQUIRED SUPPLEMENTAL INFORMATION
POLICE EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS
June 30, 2005 – 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
July 1, 2013	\$ 8,700,353	\$ 20,508,708	\$ 11,808,355	42.4%	\$ 2,849,563	414.4%
July 1, 2012	7,808,944	19,146,415	11,337,471	40.8%	2,673,827	424.0%
July 1, 2011	6,795,092	16,397,138	9,602,046	41.4%	2,774,501	346.1%
July 1, 2010	5,058,336	15,094,744	10,036,408	33.5%	2,713,518	369.9%
July 1, 2009	4,035,510	14,355,855	10,320,345	28.1%	2,671,071	386.4%
July 1, 2008	4,500,963	13,402,672	8,901,709	33.6%	2,383,190	373.5%
July 1, 2007	4,287,464	10,772,448	6,484,984	39.8%	2,204,862	294.1%
July 1, 2006	3,371,139	9,609,655	6,238,516	35.1%	1,961,026	318.1%
July 1, 2005	2,849,268	8,910,824	6,061,556	32.0%	1,919,819	315.7%

**POLICE EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2005 – 2013**

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
June 30, 2013	\$ 923,331	100.0%
June 30, 2012	924,278	100.0%
June 30, 2011	930,263	100.0%
June 30, 2010	835,105	100.0%
June 30, 2009	703,661	106.4%
June 30, 2008	651,866	100.0%
June 30, 2007	611,405	100.0%
June 30, 2006	535,092	100.0%
June 30, 2005	456,645	100.0%

SUPPLEMENTAL INFORMATION

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes:				
<u>Property</u>				
Real property	\$ 11,502,026	\$ 11,502,026	\$ 11,496,734	\$ (5,292)
Business or other property	488,006	488,006	570,360	82,354
Penalty and interest	61,000	61,000	70,971	9,971
Additions and abatements	3,500	3,500	(8,176)	(11,676)
Total property	<u>12,054,532</u>	<u>12,054,532</u>	<u>12,129,889</u>	<u>75,357</u>
<u>Local Taxes</u>				
Admission and amusement	600	600	48	(552)
	<u>600</u>	<u>600</u>	<u>48</u>	<u>(552)</u>
<u>Shared taxes</u>				
Highway	86,205	86,205	83,667	(2,538)
Income tax	2,150,000	2,150,000	2,437,127	287,127
Total shared taxes	<u>2,236,205</u>	<u>2,236,205</u>	<u>2,520,794</u>	<u>284,589</u>
Total taxes	<u>14,291,337</u>	<u>14,291,337</u>	<u>14,650,731</u>	<u>359,394</u>
Licenses and permits	<u>71,904</u>	<u>71,904</u>	<u>79,372</u>	<u>7,468</u>
Fines and forfeitures	<u>207,000</u>	<u>207,000</u>	<u>169,526</u>	<u>(37,474)</u>
Use of Money and Property:				
Interest and dividends	<u>44,000</u>	<u>44,000</u>	<u>25,908</u>	<u>(18,092)</u>
Charges for Services:				
Public parking	60,000	60,000	78,258	18,258
Protective inspection fees	303,850	303,850	305,082	1,232
Waste collection and disposal	71,500	71,500	70,065	(1,435)
Passport	25,000	25,000	57,870	32,870
Recreation	423,500	423,500	496,754	73,254
Library fines and fees	34,825	34,825	34,405	(420)
Other	63,450	63,450	47,137	(16,313)
Total charges for services	<u>982,125</u>	<u>982,125</u>	<u>1,089,571</u>	<u>107,446</u>

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES (Continued)				
Intergovernmental Revenues:				
Police protection	\$ 261,254	\$ 261,254	\$ 261,254	\$ -
In Lieu of Police	2,869,132	2,869,132	2,868,931	(201)
In Lieu of County Services	644,712	644,712	644,712	-
Police rebate	949,860	949,860	927,663	(22,197)
Bank share tax	5,643	5,643	5,643	-
Library Aid	151,320	151,320	127,618	(23,702)
Montgomery County Tax	356,000	356,000	418,363	62,363
Takoma/Langley Recreation Center	87,650	87,650	87,650	-
Chesapeake Bay Trust Fund	2,000	8,000	-	(8,000)
State Highway street project	696,000	276,000	88,081	(187,919)
Total intergovernmental revenues	<u>6,023,571</u>	<u>5,609,571</u>	<u>5,429,915</u>	<u>(179,656)</u>
Miscellaneous revenue - other	78,000	82,375	84,394	2,019
Total revenues	<u>21,697,937</u>	<u>21,288,312</u>	<u>21,529,417</u>	<u>241,105</u>
EXPENDITURES				
General Government:				
City Council	150,927	154,518	142,923	11,595
City Manager	1,189,767	1,236,489	1,028,532	207,957
Finance	511,587	511,587	470,855	40,732
Legal	238,075	238,075	275,645	(37,570)
Information Systems Administration	439,371	441,884	422,393	19,491
Other - unclassified	1,095,599	952,956	875,875	77,081
Total general government	<u>3,625,326</u>	<u>3,535,509</u>	<u>3,216,223</u>	<u>319,286</u>
Public Safety:				
Office of the Chief	366,218	377,218	353,079	24,139
Communications	404,906	404,906	351,890	53,016
Patrol	3,326,245	3,415,104	3,716,479	(301,375)
Criminal investigations	1,215,450	1,159,616	883,005	276,611
Administration	687,520	693,428	701,266	(7,838)
Total public safety	<u>6,000,339</u>	<u>6,050,272</u>	<u>6,005,719</u>	<u>44,553</u>
Public Works:				
Administration	508,885	508,885	346,714	162,171
Building Maintenance	768,882	796,131	788,015	8,116
Equipment Maintenance	483,137	483,137	426,084	57,053
Right of Way	962,195	973,382	900,796	72,586
Solid Waste Management	805,818	811,754	839,749	(27,995)
Urban forest/ City Gardens	439,684	442,682	369,066	73,616
City engineer	217,289	217,289	132,653	84,636
Total public works	<u>4,185,890</u>	<u>4,233,260</u>	<u>3,803,077</u>	<u>430,183</u>

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)				
Housing and Community Development:	<u>\$ 1,484,044</u>	<u>\$ 1,499,551</u>	<u>\$ 1,267,775</u>	<u>\$ 231,776</u>
Recreation and Culture:				
Recreation	1,383,375	1,398,007	1,261,456	136,551
Library and media	1,384,182	1,397,577	1,341,285	56,292
Total recreation and culture	<u>2,767,557</u>	<u>2,795,584</u>	<u>2,602,741</u>	<u>192,843</u>
Capital Outlay	<u>1,563,400</u>	<u>1,230,810</u>	<u>975,647</u>	<u>255,163</u>
Debt Service:				
Repayments	1,571,821	1,571,821	1,534,430	37,391
Total debt service	<u>1,571,821</u>	<u>1,571,821</u>	<u>1,534,430</u>	<u>37,391</u>
Total expenditures	<u>21,198,377</u>	<u>20,916,807</u>	<u>19,405,612</u>	<u>1,511,195</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>499,560</u>	<u>371,505</u>	<u>2,123,805</u>	<u>1,752,300</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
Speed camera	-	(350,000)	-	350,000
Special Revenue	(27,500)	(27,500)	(8,121)	19,379
Total other financing sources (uses)	<u>(27,500)</u>	<u>(377,500)</u>	<u>(8,121)</u>	<u>369,379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>472,060</u>	<u>(5,995)</u>	<u>2,115,684</u>	<u>2,121,679</u>
APPROPRIATION OF FUND BALANCE	<u>(472,060)</u>	<u>5,995</u>	<u>-</u>	<u>(5,995)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,115,684</u>	<u>\$ 2,115,684</u>

**CITY OF TAKOMA PARK, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Stormwater Management Fund	Community Center	Rehabilitation Loans and Grants	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and temporary investments	\$ 634,268	\$ -	\$ 211,279	\$ 845,547
Notes receivable, net	-	-	5,273	5,273
Other receivables	17,959	-	-	17,959
Due from other funds	308	207,226	-	207,534
Due from other governments	85,261	-	-	85,261
Total assets	<u>737,796</u>	<u>207,226</u>	<u>216,552</u>	<u>1,161,574</u>
<u>Deferred outflows of resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 737,796</u>	<u>\$ 207,226</u>	<u>\$ 216,552</u>	<u>\$ 1,161,574</u>
<u>Liabilities</u>				
Accounts Payable	\$ 153,627	\$ -	\$ -	\$ 153,627
Accrued expenses	2,988	-	-	2,988
Deposits and escrows held	24,721	-	-	24,721
Due to other funds	268,917	207,226	2,138	478,281
Due to other governments	-	-	209,141	209,141
Total liabilities	<u>450,253</u>	<u>207,226</u>	<u>211,279</u>	<u>868,758</u>
<u>Deferred inflows of resources</u>	<u>16,786</u>	<u>-</u>	<u>-</u>	<u>16,786</u>
<u>Fund Balances</u>				
Restricted	-	-	5,273	5,273
Committed	-	-	-	-
Assigned	270,757	-	-	270,757
Unassigned	-	-	-	-
Total fund balances	<u>270,757</u>	<u>-</u>	<u>5,273</u>	<u>276,030</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 737,796</u>	<u>\$ 207,226</u>	<u>\$ 216,552</u>	<u>\$ 1,161,574</u>

CITY OF TAKOMA PARK, MARYLAND
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2013

	Stormwater Management Fund	Community Center	Rehabilitation Loans and Grants	Total Nonmajor Governmental Funds
REVENUES				
Grant funds	\$ 85,261	\$ -	\$ -	\$ 85,261
Charges for service	419,411	-	-	419,411
Intergovernmental	-	-	-	-
Miscellaneous	5,899	-	-	5,899
Total revenues	<u>510,571</u>	<u>-</u>	<u>-</u>	<u>510,571</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	282,890	-	-	282,890
Housing and community development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	239,769	-	-	239,769
Total expenditures	<u>522,659</u>	<u>-</u>	<u>-</u>	<u>522,659</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(12,088)</u>	<u>-</u>	<u>-</u>	<u>(12,088)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(12,088)</u>	<u>-</u>	<u>-</u>	<u>(12,088)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>282,845</u>	<u>-</u>	<u>5,273</u>	<u>288,118</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 270,757</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,273</u></u>	<u><u>\$ 276,030</u></u>

CITY OF TAKOMA PARK, MARYLAND
STORMWATER MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Grant funds	\$ -	\$ 111,000	\$ 85,261	\$ (25,739)
Charges for services	421,845	421,845	419,411	(2,434)
Miscellaneous	10,000	10,000	5,899	(4,101)
Total revenues	<u>431,845</u>	<u>542,845</u>	<u>510,571</u>	<u>(32,274)</u>
EXPENDITURES				
Public works	323,538	347,943	282,890	65,053
Capital outlay	150,000	261,000	239,769	21,231
Total expenditures	<u>473,538</u>	<u>608,943</u>	<u>522,659</u>	<u>86,284</u>
Excess (deficiency) of revenues over expenditures before other financing sources (users)	<u>(41,693)</u>	<u>(66,098)</u>	<u>(12,088)</u>	<u>54,010</u>
NET CHANGE IN FUND BALANCE	<u>(41,693)</u>	<u>(66,098)</u>	<u>(12,088)</u>	<u>54,010</u>
FUND BALANCE, BEGINNING OF YEAR	<u>282,845</u>	<u>282,845</u>	<u>282,845</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 241,152</u>	<u>\$ 216,747</u>	<u>\$ 270,757</u>	<u>\$ 54,010</u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for 2012)

	Pension Trust	Defined Contribution Plan	Totals	
			2013	2012
ASSETS				
Cash and cash equivalents	\$ 183,213	\$ -	\$ 183,213	\$ 179,268
Investments, at fair value:				
Equities	5,571,999	202,501	5,774,500	4,850,785
Fixed income	2,937,459	-	2,937,459	2,606,660
Total investments	<u>8,509,458</u>	<u>202,501</u>	<u>8,711,959</u>	<u>7,457,445</u>
TOTAL ASSETS	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>	<u>\$ 7,636,713</u>
LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Held in trust for pension benefits	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>	<u>\$ 7,636,713</u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for 2012)

	Pension Trust	Defined Contribution Plan	Totals	
			2013	2012
ADDITIONS				
Employer contributions	\$ 923,331	\$ 2,463	\$ 925,794	\$ 940,842
Plan member contributions	192,493	-	192,493	180,297
Total contributions and other receipts	<u>1,115,824</u>	<u>2,463</u>	<u>1,118,287</u>	<u>1,121,139</u>
Investment earnings	<u>913,372</u>	<u>21,472</u>	<u>934,844</u>	<u>93,926</u>
Total additions	<u>2,029,196</u>	<u>23,935</u>	<u>2,053,131</u>	<u>1,215,065</u>
DEDUCTIONS				
Benefit and refunds paid	705,407	29,542	734,949	517,801
Administrative expenses	<u>59,708</u>	<u>15</u>	<u>59,723</u>	<u>55,186</u>
Total deductions	<u>765,115</u>	<u>29,557</u>	<u>794,672</u>	<u>572,987</u>
CHANGE IN NET POSITION	1,264,081	(5,622)	1,258,459	642,078
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>7,428,590</u>	<u>208,123</u>	<u>7,636,713</u>	<u>6,994,635</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u>\$ 8,692,671</u>	<u>\$ 202,501</u>	<u>\$ 8,895,172</u>	<u>\$ 7,636,713</u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's economic condition.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial position and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant own-source revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability for additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in Fiscal Year 2003.

CITY OF TAKOMA PARK, MARYLAND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital assets	\$ 25,892,877	\$ 24,247,163	\$ 20,973,813	\$ 19,250,374	\$ 17,912,991	\$ 17,227,232	\$ 17,112,525	\$ 12,220,247	\$ 9,053,902	\$ 6,361,971
Restricted	6,485,552	5,757,899	4,836,215	2,381,395	1,766,922	1,672,038	1,327,101	1,524,639	4,065,550	1,677,812
Unrestricted	5,711,016	4,681,714	5,825,803	8,105,697	8,560,575	7,439,030	6,118,379	4,210,070	1,228,025	1,697,656
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 38,089,445	\$ 34,686,776	\$ 31,635,831	\$ 29,737,466	\$ 28,240,488	\$ 26,338,300	\$ 24,558,005	\$ 17,954,956	\$ 14,347,477	\$ 9,737,439

Note: In 2013 the City implemented GASB 63 and accordingly net assets for the years 2004 through 2012 have been reclassified as net position.

Table 2

CITY OF TAKOMA PARK, MARYLAND
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$ 3,655,803	\$ 3,528,633	\$ 3,655,556	\$ 5,719,008	\$ 3,120,349	\$ 3,425,823	\$ 2,764,025	\$ 2,819,521	\$ 3,029,141	\$ 3,181,117
Public safety	7,628,389	7,637,072	7,213,649	7,563,656	6,048,350	5,797,560	5,214,230	4,726,609	4,520,348	4,374,347
Public works	5,332,321	5,107,165	5,564,151	5,099,655	5,774,672	4,798,252	4,526,174	3,651,129	4,059,898	4,174,364
Housing and community development	1,552,964	1,470,360	1,360,806	1,836,561	1,403,582	1,264,767	1,198,331	1,005,222	917,685	1,214,972
Recreation and culture	2,736,596	2,613,109	2,678,012	2,622,686	2,623,651	2,526,988	2,540,913	2,170,734	1,966,910	2,209,011
Interest	121,537	250,453	296,666	213,883	250,349	246,360	250,342	263,379	210,411	106,551
Total primary government expenses	<u>21,027,610</u>	<u>20,606,792</u>	<u>20,768,840</u>	<u>23,055,449</u>	<u>19,220,953</u>	<u>18,059,750</u>	<u>16,494,015</u>	<u>14,636,594</u>	<u>14,704,393</u>	<u>15,260,362</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	101,876	98,727	80,613	82,479	103,010	75,238	39,080	537,608	456,113	40,866
Public safety	1,709,357	2,335,397	2,044,513	2,424,778	882,331	236,428	181,219	190,287	179,322	104,539
Public works	555,926	507,571	484,608	485,424	490,129	513,215	840,248	831,409	764,039	340,060
Housing and community development	335,542	338,930	349,099	328,503	333,619	346,593	-	614	314,486	204,222
Recreation and culture	531,159	524,168	457,419	308,424	286,090	274,653	322,675	249,909	242,363	188,933
Operating grants and contributions	5,249,350	4,243,995	4,189,088	4,927,311	5,311,448	4,879,649	3,943,472	5,528,750	5,055,228	5,716,825
Capital grants and contributions	979,304	774,395	728,089	2,298,112	-	43,348	531,460	716,414	2,586,088	986,403
Total primary government program revenues	<u>9,452,514</u>	<u>8,823,183</u>	<u>8,333,429</u>	<u>10,855,031</u>	<u>7,406,627</u>	<u>6,369,124</u>	<u>5,858,154</u>	<u>8,054,991</u>	<u>9,597,639</u>	<u>7,581,848</u>
Total primary government net expense	<u>(11,565,096)</u>	<u>(11,783,609)</u>	<u>(12,435,411)</u>	<u>(12,200,418)</u>	<u>(11,814,326)</u>	<u>(11,690,626)</u>	<u>(10,635,861)</u>	<u>(6,581,603)</u>	<u>(5,106,754)</u>	<u>(7,678,514)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	12,134,376	11,668,702	11,381,629	11,085,519	10,459,749	9,627,880	8,764,784	7,901,543	7,630,236	6,634,987
Intergovernmental / unrestricted	2,791,760	3,003,680	2,914,276	2,472,591	3,030,468	3,342,710	3,662,840	1,904,784	1,740,886	1,583,275
Unrestricted investment earnings	27,248	48,663	46,947	76,217	172,830	353,747	359,342	184,751	130,409	67,832
Miscellaneous and other	14,381	113,509	(9,076)	63,069	53,467	146,584	180,062	198,004	215,261	133,742
Total primary government	<u>14,967,765</u>	<u>14,834,554</u>	<u>14,333,776</u>	<u>13,697,396</u>	<u>13,716,514</u>	<u>13,470,921</u>	<u>12,967,028</u>	<u>10,189,082</u>	<u>9,716,792</u>	<u>8,419,836</u>
TOTAL PRIMARY GOVERNMENT										
CHANGE IN NET POSITION	<u>\$ 3,402,669</u>	<u>\$ 3,050,945</u>	<u>\$ 1,898,365</u>	<u>\$ 1,496,978</u>	<u>\$ 1,902,188</u>	<u>\$ 1,780,295</u>	<u>\$ 2,331,167</u>	<u>\$ 3,607,479</u>	<u>\$ 4,610,038</u>	<u>\$ 741,322</u>

Table 3

CITY OF TAKOMA PARK, MARYLAND
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 581,896	\$ 464,978	\$ 383,459	\$ 54,627	\$ 18,175	\$ 8,210	\$ 46,969	\$ -	\$ 7,369	\$ -
Restricted	225,248	224,978	224,754	224,372	43,949	43,337	-	117,347	1,229,659	-
Committed	3,764,492	2,860,071	2,469,790	2,157,023	1,722,973	1,628,701	1,327,101	1,215,203	1,327,442	1,964,847
Assigned	1,193,243	-	1,539,234	3,417,680	1,559,362	1,715,916	1,513,213	1,222,641	1,354,088	724,561
Unassigned	5,434,260	5,533,428	5,158,361	3,481,662	5,576,736	4,553,565	3,517,381	2,325,305	966,533	-
Total general fund	\$ 11,199,139	\$ 9,083,455	\$ 9,775,598	\$ 9,335,364	\$ 8,921,195	\$ 7,949,729	\$ 6,404,664	\$ 4,880,496	\$ 4,885,091	\$ 2,689,408
Total all other governmental funds										
Restricted	\$ 2,495,812	\$ 2,672,850	\$ 2,141,671	\$ 1,678,614	\$ 1,066,524	\$ 485,574	\$ 413,714	\$ 439,023	\$ 154,361	\$ 480,554
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	270,757	282,846	311,814	465,618	381,953	300,162	272,423	143,704	720,840	222,841
Total	\$ 2,766,569	\$ 2,955,696	\$ 2,453,485	\$ 2,144,232	\$ 1,448,477	\$ 785,736	\$ 686,137	\$ 582,727	\$ 875,201	\$ 703,395

Note: In 2011 the City implemented GASB 54 and accordingly fund balances for years 2004 through 2010 have been revised.

CITY OF TAKOMA PARK, MARYLAND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$ 14,650,731	\$ 14,404,183	\$ 13,751,914	\$ 13,287,014	\$ 13,318,311	\$ 12,573,318	\$ 11,486,637	\$ 10,306,405	\$ 9,826,025	\$ 8,618,452
Licenses and permits	79,372	81,235	78,664	75,030	77,291	45,470	104,597	62,415	63,610	63,862
Fines and forfeitures	1,626,267	2,269,843	1,987,826	2,376,632	839,804	213,197	181,219	190,287	179,323	104,539
Use of money and property	27,248	48,663	46,947	76,217	172,830	353,747	359,342	184,751	130,409	67,832
Stimulus grant	-	-	9,486	180,225	-	-	-	-	-	-
Charges for services	1,508,982	1,452,179	1,363,478	1,364,673	1,092,405	831,249	1,108,872	1,007,213	1,136,197	773,186
Intergovernmental	6,645,981	5,435,902	5,325,155	7,046,959	5,654,908	4,762,643	5,475,182	6,245,164	7,641,316	6,004,235
Miscellaneous	90,293	152,662	142,001	299,362	163,841	157,676	174,241	247,158	215,261	382,952
Total revenues	<u>24,638,874</u>	<u>23,844,667</u>	<u>22,705,471</u>	<u>24,706,112</u>	<u>21,314,390</u>	<u>18,937,300</u>	<u>18,890,090</u>	<u>18,243,393</u>	<u>19,192,141</u>	<u>16,015,058</u>
EXPENDITURES										
Current:										
General government	3,265,503	3,209,319	3,308,640	5,357,962	3,077,096	2,994,878	2,621,670	2,435,598	2,597,839	3,038,787
Public safety	7,319,009	7,366,853	6,965,312	7,115,499	5,981,975	5,349,349	5,037,668	4,659,466	4,489,515	4,292,117
Public works	4,085,967	3,879,854	3,978,563	4,136,274	4,047,071	3,611,130	3,765,225	3,480,726	3,895,853	3,997,466
Housing/community development	1,531,295	1,455,351	1,332,775	1,751,912	1,392,147	1,277,216	1,189,911	1,003,247	1,112,569	1,212,228
Recreation and culture	2,602,741	2,444,878	2,513,391	2,545,113	2,389,783	2,324,744	2,160,849	2,129,854	2,001,449	2,159,158
Capital outlay	2,363,371	3,534,937	4,177,448	3,305,507	1,807,850	931,837	2,029,151	4,127,017	6,958,497	3,943,729
Debt service:										
Principal	1,412,893	1,901,052	909,268	665,769	752,343	919,207	733,584	612,522	205,984	200,317
Interest	121,537	242,355	270,587	212,634	231,918	251,511	250,342	249,983	167,946	106,771
Total expenditures	<u>22,702,316</u>	<u>24,034,599</u>	<u>23,455,984</u>	<u>25,090,670</u>	<u>19,680,183</u>	<u>17,659,872</u>	<u>17,788,400</u>	<u>18,698,413</u>	<u>21,429,652</u>	<u>18,950,573</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>1,926,558</u>	<u>(189,932)</u>	<u>(750,513)</u>	<u>(384,558)</u>	<u>1,634,207</u>	<u>1,277,428</u>	<u>1,101,690</u>	<u>(455,020)</u>	<u>(2,237,511)</u>	<u>(2,935,515)</u>
OTHER FINANCING SOURCES (USES)										
Bond/loan proceeds	-	-	1,500,000	1,494,484	-	220,029	525,888	-	4,605,000	19,475
Sale of property	-	-	-	-	-	109,276	-	157,951	-	-
Transfers in (out)	-	-	-	-	-	(61,668)	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,494,484</u>	<u>-</u>	<u>267,637</u>	<u>525,888</u>	<u>157,951</u>	<u>4,605,000</u>	<u>19,475</u>
NET CHANGES IN FUND BALANCES	<u>\$ 1,926,558</u>	<u>\$ (189,932)</u>	<u>\$ 749,487</u>	<u>\$ 1,109,926</u>	<u>\$ 1,634,207</u>	<u>\$ 1,545,065</u>	<u>\$ 1,627,578</u>	<u>\$ (297,069)</u>	<u>\$ 2,367,489</u>	<u>\$ (2,916,040)</u>
Debt service as a percentage of noncapital expenditures	7.17%	10.21%	5.86%	3.93%	5.34%	6.93%	6.03%	5.81%	2.58%	2.04%

Table 5

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Fiscal Year	General Property Taxes	Utility and Personal Property	Penalties and Interest on Delinquent Tax	Additions and Abatements	Amusement Tax	Income Tax	Highway Tax	Total
2013	\$ 11,496,734	\$ 570,360	\$ 70,971	\$ (8,176)	\$ 48	\$ 2,437,127	\$ 83,667	\$ 14,650,731
2012	11,166,179	446,819	63,142	-	1,100	2,595,845	131,098	14,404,183
2011	10,858,055	460,664	62,267	-	514	2,330,225	40,189	13,751,914
2010	10,556,622	470,012	61,172	-	614	2,138,384	60,210	13,287,014
2009	10,007,250	434,015	58,807	(1,139)	268	2,310,208	508,902	13,318,311
2008	9,032,239	550,415	47,447	(2,221)	102	2,359,552	585,784	12,573,318
2007	8,232,645	535,626	78,387	18,071	420	2,016,347	605,141	11,486,637
2006	7,369,473	490,667	10,325	(58,142)	486	1,904,784	588,812	10,306,405
2005	6,923,415	575,799	41,668	13,532	108	1,740,886	530,617	9,826,025
2004	6,054,625	608,613	39,162	(16,389)	38	1,583,275	349,128	8,618,452

Source: City's financial records.

**CITY OF TAKOMA PARK, MARYLAND
REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections and Credits	Percent of Levy Collected	Delinquent Tax Collections and Credits	Total Tax Collections and Credits	Percent of Total Tax Collections to Tax Levy
2013	\$ 11,533,580	\$ 11,468,702	99.4%	\$ 55,922	\$ 11,524,624	99.9%
2012	11,218,982	11,165,805	99.5%	49,198	11,215,003	99.9%
2011	10,839,223	10,610,360	97.9%	117,035	10,727,395	99.0%
2010	10,595,358	10,538,917	99.5%	54,514	10,593,431	100.0%
2009	10,025,305	9,953,428	99.3%	8,783	9,962,211	99.4%
2008	8,959,820	8,881,476	99.1%	13,565	8,895,041	99.3%
2007	8,730,162	8,649,985	99.1%	-	8,649,985	99.1%
2006	7,747,197	7,674,253	99.1%	-	7,674,253	99.1%
2005	7,415,063	7,322,124	98.7%	-	7,322,124	98.7%
2004	6,659,214	6,551,640	98.4%	31,938	6,583,578	98.9%

Source: City's Finance Department.

Table 7

CITY OF TAKOMA PARK, MARYLAND
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Public Utilities			Personal Property			Total		Ratio of Total Assessed to Total	
	Assessed Value	Estimated Actual		Assessed Value	Estimated Actual		Assessed Value	Estimated Actual		Assessed Value	Estimated Actual		
		Value (1)	Value (2)		Value (2)	Value (2)		Value (2)	Value (2)				
2013	\$ 1,988,548,200	\$ 1,988,548,200	\$ 10,976,190	\$ 10,976,190	\$ 22,166,730	\$ 22,166,730	2,021,691,120	2,021,691,120	100	100	0.580		
2012	1,934,307,192	1,934,307,192	11,178,450	11,178,450	19,536,290	19,536,290	1,965,021,932	1,965,021,932	100	100	0.580		
2011	1,868,831,518	1,868,831,518	11,113,060	11,113,060	21,189,430	21,189,430	1,901,134,008	1,901,134,008	100	100	0.580		
2010	1,826,785,810	1,826,785,810	10,919,000	10,919,000	20,707,720	20,707,720	1,858,412,530	1,858,412,530	100	100	0.580		
2009	1,669,463,691	1,669,463,691	10,236,720	10,236,720	21,517,740	21,517,740	1,701,218,151	1,701,218,151	100	100	0.605		
2008	1,480,266,902	1,480,266,902	10,139,630	10,139,630	24,076,170	24,076,170	1,514,482,702	1,514,482,702	100	100	0.610		
2007	1,305,972,838	1,305,972,838	10,406,020	10,406,020	21,500,830	21,500,830	1,337,879,698	1,337,879,698	100	100	0.630		
2006	1,159,577,994	1,159,577,994	9,507,450	9,507,450	20,828,000	20,828,000	1,189,913,444	1,189,913,444	100	100	0.630		
2005	1,040,717,919	1,040,717,919	10,670,330	10,670,330	22,440,290	22,440,290	1,073,828,539	1,073,828,539	100	100	0.660		
2004	934,275,038	934,275,038	10,708,000	10,708,000	24,642,630	24,642,630	969,625,688	969,625,688	100	100	0.660		

(1) Property owned by the City, other governments, churches and schools is exempt. No estimate of exempt property is included.

(2) Personal property and public utilities are assessed at 100% of estimated actual value.

Source: State of Maryland Department of Assessment and Taxation.

CITY OF TAKOMA PARK, MARYLAND
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$100 of Assessed Value)

Fiscal Year	Direct		Overlapping Tax Rates ⁽¹⁾								Direct and Overlapping Total		
	Takoma Park General	Tax Rate ⁽¹⁾	Maryland -						Recreation Areas				
			State of Maryland	Montgomery County	National Capital Park and Planning Commission	Transit District							
2013	\$	0.5800	\$	0.1120	\$	0.7240	\$	0.0720	\$	0.0480	0.0210	\$	1.5570
2012		0.5800		0.1120		0.7130		0.0650		0.0380	0.0180		1.5260
2011		0.5800		0.1120		0.6990		0.0610		0.0370	0.0180		1.5070
2010		0.5800		0.1120		0.6830		0.0690		0.0370	0.0190		1.5000
2009		0.6050		0.1120		0.6610		0.0730		0.0400	0.0220		1.5130
2008		0.6100		0.1120		0.6270		0.0780		0.0580	0.0240		1.5090
2007		0.6300		0.1120		0.6240		0.0780		0.0530	0.0240		1.5210
2006		0.6300		0.1320		0.6790		0.0840		0.0420	0.0250		1.5920
2005		0.6600		0.1320		0.7340		0.0800		0.0440	0.0250		1.6750
2004		0.6600		0.1320		0.7510		0.0810		0.0440	0.0220		1.6900

(1) In dollars per \$100 of assessed value.

Source: State of Maryland Department of Assessment and Taxation.

**CITY OF TAKOMA PARK, MARYLAND
COMPUTATION OF LEGAL DEBT MARGIN
Year Ended June 30, 2013**

Fiscal year 2013 real property assessed value	<u>\$ 1,988,548,200</u>
Debt limit - 100% of assessed value	1,988,548,200
Amount of debt applicable to debt limit - legal debt margin	<u>3,030,000</u>
Legal debt margin	<u>\$ 1,985,518,200</u>

SECTION 823 - AUTHORIZATION TO BORROW MONEY

(a) The Council of Takoma Park shall have the power to borrow money for any proper purpose and to evidence such borrowing by the issue and sale of its general obligation bonds, notes, or other certificates of indebtedness in the manner prescribed in Section 31 to 37 inclusive, of Article 23 A of the Annotated Code of Maryland (1998 edition, as amended), title "Municipal Corporations," sub-title "Creation of Municipal Public Debt." Notwithstanding the provisions of this subsection, the Council may authorize a private negotiated sale of bonds upon a finding by the Council that such private negotiated sale is in the best interests of the City of Takoma Park.

(b) Any proposed new indebtedness that is greater than five percent (5%) of the revenue budgeted for that year shall be subject to a public hearing and the Council shall not take final action on the proposed indebtedness less than fourteen (14) days following the hearing.

SECTION 824 - PAYMENT OF INDEBTEDNESS

The power and obligation of the City to pay any and all bonds, notes, or other evidences of indebtedness issued by it shall be unlimited and the City shall levy ad valorem taxes on all the taxable property in the City for payment of such bonds, notes, or other evidences of indebtedness and interest thereon. The faith and credit of the City is pledged for the payment of the principal and interest on all bonds, notes or other evidences of indebtedness issued under the authority of this Charter, whether or not such pledge be stated in the bonds, notes or other evidences of indebtedness, or in the ordinance authorizing their issuance.

Table 10

CITY OF TAKOMA PARK, MARYLAND
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Assessed Value	Bonded Debt	Capital Leases	Notes Payable	Ratio of	
						Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013	16,715	\$ 2,021,691,120	\$ 2,880,000	\$ -	\$ 150,000	0.15%	\$172.30
2012	16,715	1,965,021,932	4,292,893	- (2)	150,000	0.23%	\$256.83
2011	16,715	1,901,134,008	6,147,455	46,508	150,000	0.33%	\$367.78
2010	17,299	1,858,412,530	5,398,992	201,979	152,260	0.31%	\$312.10
2009	17,299	1,701,218,151	4,869,000	363,687	7,260	0.31%	\$281.46
2008	17,299	1,514,482,702	5,621,343	561,768	67,260	0.41%	\$324.95
2007	17,299	1,337,879,698	6,320,521	541,584	122,260	0.52%	\$365.37
2006	17,299	1,189,913,444	6,528,217	192,763	177,260	0.58%	\$377.38
2005	17,299	1,073,828,539	7,140,738	252,946	232,260	0.71%	\$412.78
2004	17,299	969,625,688	2,741,845	310,586	287,260	0.34%	\$158.50

- (1) Source: U.S. Census Bureau.
(2) Capital leases were fully paid in FY 2012.

Table 11

CITY OF TAKOMA PARK, MARYLAND
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures (Percent)
2013	\$ 1,412,893	\$ 121,537	\$ 1,534,430	\$ 22,702,316	6.76%
2012	1,901,052	242,355	2,143,407	20,869,505	10.27%
2011	909,268	270,587	1,179,855	20,612,228	5.72%
2010	665,769	212,634	878,403	20,336,802	4.32%
2009	752,343	231,918	984,261	18,127,353	5.43%
2008	919,207	251,511	1,170,718	17,659,872	6.63%
2007	733,584	250,342	983,926	17,788,399	5.53%
2006	612,521	249,984	862,505	18,698,413	4.61%
2005	205,984	167,946	373,930	21,429,652	1.74%
2004	200,317	106,771	307,088	18,950,573	1.62%

(1) Takoma Junction loan balance was fully paid.

Source: City's financial records.

CITY OF TAKOMA PARK, MARYLAND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ⁽²⁾
June 30, 2013

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
Direct debt –			
City of Takoma Park	\$ 3,030,000	100%	\$ 3,030,000
Direct debt sub-total	<u>3,030,000</u>		<u>3,030,000</u>
Overlapping debt -			
Montgomery County	3,246,210,825	1% ⁽¹⁾	32,462,108
Maryland-National Capital Park and Planning Commission			
Montgomery County	<u>33,635,000</u>	1% ⁽¹⁾	<u>336,350</u>
Overlapping debt sub-total	<u>3,279,845,825</u>		<u>32,798,458</u>
Total direct and overlapping debt	<u><u>\$ 3,282,875,825</u></u>		<u><u>\$ 35,828,458</u></u>

- (1) Rate of assessed value in the City to total assessed value in Montgomery County.
- (2) The overlapping debt is not a debt of the City of Takoma Park, Maryland on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the City of Takoma Park, Maryland are obligated to pay through direct tax levies of these governmental entities.

Source: Montgomery County Department of Finance.

**CITY OF TAKOMA PARK, MARYLAND
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population ⁽¹⁾	Personal Income (2) (thousands)	Per Capita Income ⁽²⁾	Labor Force ⁽³⁾	Unemployment Rate ⁽⁴⁾	Registered Pupils ⁽⁵⁾
Montgomery County:						
2013	16,715	\$ 73,420,000	\$ 73,475	540,133	5.2	149,018
2012	16,715	71,540,000	72,172	534,178	5.1	146,497
2011	16,715	69,050,166	69,762	529,997	5.3	143,309
2010	17,299	65,904,393	67,564	525,384	5.8	140,500
2009	17,299	62,962,957	65,654	522,875	5.6	137,763
2008	17,299	65,845,731	69,844	519,330	3.2	137,745
2007	17,299	62,643,745	67,236	512,934	2.6	137,798
2006	17,299	60,372,289	65,162	518,142	2.8	139,387
2005	17,299	55,846,295	60,602	508,251	3.1	139,337
2004	17,299	52,238,928	57,092	497,204	3.2	139,203

(1) U.S. Census Bureau. Includes annexed area.

(2) Personal income, per capita income and registered pupils are not available for the City of Takoma Park, Maryland on a separate basis. The best available information is provided by the Finance Department of Montgomery County, Maryland and the Bureau of Economic Analysis - U.S. Department of Commerce (BEA). Estimates for 2003-2008 revised by BEA and data for 2009 is a preliminary estimate from BEA. Data for 2010-2012 are estimates derived by the Montgomery County Department of Finance.

(3) Bureau of Labor Statistics (BLS), U.S. Department of Labor. Civilian labor force data includes all persons in the civilian noninstitutional population classified as either employed or unemployed and counted by place of residence and are revised by BLS for 2007-2012. Data for 2013 estimated by Montgomery County Department of Finance based on the percent change from first half of CY2011 to the first half of CY2013.

(4) The unemployment rates for 2007 through 2012 were revised by the Bureau of Labor Statistics, U.S. Department of Labor. Unemployment rate for 2013 estimated by Montgomery County Department of Finance based on the average of the monthly unemployment rates for the first half of 2013.

(5) Montgomery County Executive's Recommended FY13 Operating Budget, Office of Management and Budget, Montgomery County, p10-5.

Table 14

**CITY OF TAKOMA PARK, MARYLAND
PRINCIPAL PROPERTY TAXPAYERS
Current Fiscal Year and Nine Years Ago**

	2013				Fiscal Year 2004			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Saul Subsidiary I LTD Partnership	\$ 23,000,000	1	1.14%	Takoma Langley Improvements	\$ 12,852,100	1	1.33%
	Walgreen Company	20,226,200	2	1.00%	Saul Subsidiary I LTD Partnership	10,664,800	2	1.10%
	7401 New Hampshire Avenue, LLC	14,341,500	3	0.71%	Oxon Equities Group	9,690,100	3	1.00%
	Park Ritchie Apartments	12,314,500	4	0.61%	Park Ritchie Apartments	7,467,300	4	0.77%
	Tenacity 7333 New Hampshire Ave,	12,017,800	5	0.59%	Franklin Associates	7,245,300	5	0.75%
	Takoma Business Center LLC	9,857,000	6	0.49%	Potomac Electric Power Company (1)	6,680,030	6	0.69%
	Takoma Park Land LLP	9,500,000	7	0.47%	Takoma Business Center	5,826,300	7	0.60%
	Maple View Apartments LLC	7,346,100	8	0.36%	Hampshire Place LLC	4,599,500	8	0.47%
	Hampshire Lodging Inc	7,186,100	9	0.36%	Maple View Apartments LLC	4,361,500	9	0.45%
	Deauville Associates	7,000,000	10	0.35%	7676 New Hampshire Ltd Partnership	3,857,900	10	0.40%
	Total	\$ 122,789,200		6.08%		\$ 73,244,830		7.56%

Notes:

(1) Represents the assessed valuation for operating real and personal property taxes.

Source: State of Maryland Department of Assessment and Taxation

CITY OF TAKOMA PARK, MARYLAND
PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago

Employer	Fiscal Year 2013			Fiscal Year 2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington Adventist Hospital	1,600	1	27.99%	1,630	1	34.94%
Montgomery College	523	2	9.15%	300	2	6.43%
Montgomery County Public Schools	221	3	3.87%	295	3	6.32%
City of Takoma Park	215	4	3.76%	174	4	3.73%
Washington Adventist University ⁽¹⁾	182	5	3.18%	119	6	2.55%
Sligo Creek Center	132	6	2.31%	-		..
Chuck E Cheese	60	7	1.05%	-		..
International House of Pancakes	53	8	0.93%	-		..
Takoma Park / Silver Spring Co-op	47	9	0.82%	-		..
Gryphon Scientific	37	10	0.65%	-		..
Washington Adventist Healthcare Inc	-		-	-		0.00%
Takoma Park / Silver Spring Co-op	-		-	150	5	3.22%
Takoma Park Symphony Orchestra	-		-	75	7	1.61%
FirstCare Nursing Services	-		-	60	8	1.29%
Total	3,070		53.71%	2,803		60.09%

Notes:

⁽¹⁾ Formerly Columbia Union College

CITY OF TAKOMA PARK, MARYLAND
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

FUNCTION	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	16.88	16.50	16.50	18.00	18.00	18.00	16.00	16.00	16.50	17.25
Public safety	61.35	59.87	59.49	60.69	60.87	59.50	58.73	57.47	57.47	57.97
Public works	34.00	33.00	33.00	33.38	33.38	33.38	33.58	33.29	33.07	32.07
Housing and community development	11.06	9.79	9.75	10.25	9.50	9.50	9.50	8.81	9.81	11.81
Recreation and culture	28.73	28.57	29.00	32.17	31.69	32.95	32.40	31.73	28.71	28.71
TOTAL	152.02	147.73	147.74	154.49	153.44	153.33	150.21	147.30	145.56	147.81

Source: City's Finance Department

Table 17

**CITY OF TAKOMA PARK, MARYLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety:										
Crimes reported	550	550	565	553	764	739	832	791	875	787
Dispatched Calls/Events Handled	19,382	20,000	21,495	20,500	19,661	21,483	18,622	16,569	16,073	16,944
Hours-foot/bike patrol	3,000	3,000	3,500	3,600	2,897	3,689	3,705	3,320	2,720	1,699
Physical arrests	425	450	464	450	480	461	363	353	356	386
Call for service	14,012	15,000	14,179	15,000	14,405	16,048	14,363	13,071	12,880	13,869
Traffic stops	5,370	5,000	7,105	5,300	5,256	5,435	4,259	3,458	3,193	3,255
Parking tickets processed	2,939	3,500	3,228	4,000	4,084	3,665	3,357	3,882	3,780	4,858
Criminal investigations assigned	214	350	310	400	426	324	370	313	313	290
Criminal cases closed	107	150	126	140	139	119	123	108	96	126
Warrants received for service	236	450	468	440	475	440	372	N/A	N/A	N/A
NCIC Validations (Wanted Items/Persons)	748	1150	1219	1150	1129	1109	1052	N/A	N/A	N/A
Public Works:										
Permits Processed	204	193	133	229	297	321	293	319	328	330
Vehicles maintained	80	70	73	74	75	73	74	62	62	62
Tons of leaves collected	1,900	1,900	2,000	2,100	2,150	2,100	2,100	2,000	2,000	2,000
Tons of refuse collected	3,162	3,284	3,476	3,550	3,513	4,300	4,222	4,053	4,100	4,300
Tons of recyclables collected	1,489	1,470	1,544	1,500	1,662	1,440	1,380	1,151	1,200	1,400
Tons of yard waste collected	340	998	765	250	233	420	410	413	425	450
Streets resurfacing (miles)	2.00	1.00	0.40	0.43	0.44	0.63	0.98	3	2.33	3.33
Storm drains inspected (linear feet)	23,854	1,029	8,254	11,000	14,259	8,500	12,831	8,203	8,906	13,000
New storm drain pipes (linear feet)	450	1,027	307	-	-	300	350	350	945	-
Replaced storm drain pipes (linear feet)	88	73	125	50	181	100	50	-	152	200
Recreation and culture:										
Library materials circulated	114,070	115,973	118,328	105,344	104,083	89,754	80,606	70,016	70,028	76,082
Library program attendance	15,130	14,365	14,682	14,963	13,133	11,539	6,346	N/A	N/A	N/A
Housing and Community Development:										
Rental housing inspections (Note 4)	3,050	3,000	3,059	2,936	3,357	3,200	2,280	N/A	N/A	N/A
Number of rental licenses issued	420	420	407	431	341	351	213	N/A	N/A	N/A
Landlord certifications issued	195	215	199	132	130	212	112	N/A	N/A	N/A
Number of new nuisance complaints	245	300	236	364	356	186	108	N/A	N/A	N/A
Number of nuisance complaints closed	200	250	145	364	465	210	56	N/A	N/A	N/A
Courtesy Notices issued	140	210	135	290	390	674	N/A	N/A	N/A	N/A
Handbill and flyers removed	1,100	1,000	1,240	737	397	275	N/A	N/A	N/A	N/A
Landlord and tenant contacts	2,600	2,600	2,706	2,642	2,539	2,537	2,491	N/A	N/A	N/A
Rent stabilization reports monitored	260	280	260	251	273	276	251	N/A	N/A	N/A
Permit letters issued	200	234	190	178	185	150	N/A	N/A	N/A	N/A
Rent increase petitions processed	1	4	2	1	3	5	47	N/A	N/A	N/A
General Government:										
Original City TV program hours	255	268	251	207	201	220	225	220	231	230

Source: Various government departments

Notes: 1 - Data was not routinely collected prior to 2004. Data that is unavailable is labeled as N/A.

2 - Public Safety 2012 data is preliminary. Data has been revised for 2011.

3 - Data for Housing and Community Development has been revised for 2011

CITY OF TAKOMA PARK, MARYLAND
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	45	45	44	42	41	40	38	26	26	25
Public Works:										
Sanitation collection trucks	5	5	6	4	4	6	6	6	6	7
Leaf vacuums	7	7	7	7	7	7	7	7	7	7
Stormwater drains (miles)	17.01	17.01	16.82	16.72	16.72	16.72	16.66	16.59	16.53	16.35
Streets (miles)	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60
Streetlights	78	78	78	78	78	78	68	62	62	62
Recreation and Culture:										
Parks acreage	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98
Parks	7	7	7	7	7	7	7	7	7	7
Community Centers	1	1	1	1	1	1	1	1	-	-
Vehicles	2	2	2	2	2	2	2	2	1	1

Sources: Various City departments.

Notes: No capital asset indicators are available for the General Government and Housing and Community Development Functions.

**CITY OF TAKOMA PARK, MARYLAND
MISCELLANEOUS STATISTICAL DATA
June 30, 2013**

Date of incorporation	1890
Date of adoption of City Charter	1890
Revision of City Charter	2002
Form of government	Council - Manager
Area - square miles	2.4
Miles of streets and sidewalks:	
Streets	34.60
Sidewalks	27.87
Housing:	
Number of housing units	7,162
Number of owner-occupied housing units	3,444
Fire and rescue services	Montgomery County Fire Department
Police protection:	
Number of stations	1
Number of authorized police (sworn officers)	41
Municipal water plant	None
(Washington Suburban Sanitary Commission)	
Telephone, natural gas and electricity services are furnished by private corporations	
Recreation and parks - number of acres	8.98

	<u>City</u>	<u>School</u>	<u>Park and Planning Commission</u>	<u>Total</u>
Playgrounds	7	2	5	14
Baseball diamonds	1	2	1	4
Football fields	-	1	1	2
Swimming pools	-	1	-	1
Tennis courts	-	4	4	8

Table 19

CITY OF TAKOMA PARK, MARYLAND
MISCELLANEOUS STATISTICAL DATA
June 30, 2013
(Continued)

Number of schools:

Elementary (public)	2
Intermediate (public)	1
Private	3
Colleges	2

Election:

Registered voters – November, 2011	10,768
Number of votes cast - November, 2011	1,755
Percentage voting	16.34%

Population by age group

(Source: U.S. Census Bureau)

Age	2010	2000	1990	1980	1970
Under 5	1,254	1,237	1,320	955	1,367
5 – 17	2,495	2,261	2,201	2,463	3,250
18 – 24	1,361	2,094	1,567	2,447	3,284
25 – 44	5,150	6,206	7,288	5,842	4,710
45 – 64	4,787	3,972	2,551	2,616	3,950
65 – 74	973	787	928	1,071	1,163
75 and over	<u>695</u>	<u>742</u>	<u>845</u>	<u>837</u>	<u>731</u>
Total	<u><u>16,715</u></u>	<u><u>17,299</u></u>	<u><u>16,700</u></u>	<u><u>16,231</u></u>	<u><u>18,455</u></u>

CITY OF TAKOMA PARK, MARYLAND
SCHEDULE OF INSURANCE IN FORCE
June 30, 2013

Type of Coverage/Company Name	Policy Number	From	To	Limits of Coverage	Premiums
Commercial General Liability – Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	\$3,000,000 aggregate – \$1,000,000/occurrence	\$ 12,069
Public Officials Liability – Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	\$3,000,000 aggregate – \$2,500 deductible	\$ 15,416
Police Liability – Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	\$3,000,000 aggregate – \$2,500 deductible	\$ 18,588
Comprehensive Auto Liability – Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	Physical damage: Comprehensive – \$1,000,000/occurrence, \$1,000 deductible Collision – \$1,000,000/occurrence, \$1,000 deductible Bodily injury – no deductible BI & PD \$1,000,000 aggregate	\$ 28,449
Excess Liability – Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	Insurance for the City against losses in excess of \$1,000,000 up to an additional \$5,000,000 for automobile liability, commercial general liability, public officials, and police/personal injury liability	\$ 4,746
Building and Contents (includes boiler and machinery) Local Government Insurance Trust	PLP 542500	7/01/12	⁽¹⁾ 7/01/13	Insured to \$14,419,985, \$1,000 deductible.	\$ 13,699
Injured Workers' Insurance Fund – Workers' Compensation	-	7/01/12	⁽¹⁾ 7/01/13	Statutory limit	\$ 421,472
Fidelity Bond – United States Insurance Services	Various	Various	⁽¹⁾ Various	\$15,000 to \$100,000 limits	\$ 1,193

(1) Insurance policy was renewed with the carrier for an additional one year period.